

**LAKE ST. JOSEPH IRON
OPTION AND JOINT VENTURE AGREEMENT**

made between

DIVERSIFIED INNOVATIVE MARKETING ENTERPRISES LTD.

and

ROCKEX MINING CORPORATION

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LAKE ST. JOSEPH PROJECTS

OPTION AND JOINT VENTURE AGREEMENT

THIS AGREEMENT is made and entered into by and between **Rockex Mining Corporation** (“**Rockex**”), a corporation incorporated under the laws of the Province of Ontario and **Diversified Innovative Marketing Enterprises Ltd.** (“**DIME**”), a corporation incorporated under the laws of the Province of British Columbia.

RECITALS

A. Rockex and DIME wish to participate in the further evaluation and, if justified, the development and mining of mineral resources within the Properties (as hereinafter defined).

NOW THEREFORE, in consideration of the covenants and terms contained herein, Rockex and DIME agree as follows:

1. NAME, PURPOSES AND TERM

1.1 General

Rockex and DIME hereby enter into this Agreement for the purposes hereinafter described, namely to grant DIME the Option to acquire an interest in the Properties as a Participant in the Joint Venture to be formed, at the election of DIME, on the Development Implementation Date subject to completion and satisfaction of the terms and conditions hereof including Section 5.1. All of each Participant’s rights and obligations in connection with the Assets and Operations, as applicable, shall be subject to and governed by this Agreement.

1.2 Name

From and after the Development Implementation Date, the Manager shall conduct the business of this Venture in the name of the Venture, doing business as the “**Lake St. Joseph Iron Joint Venture**”. If applicable, the Manager shall accomplish any registration required by applicable business name statutes and similar statutes.

1.3 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 any of them, accomplish such purposes:

- (a) to conduct Exploration within the Properties or any of them;
- (b) to evaluate the possible Development and Mining of the Properties or any of them and, if justified, to engage in Development and Mining thereof;
- (c) to engage in Operations within the Properties or any of them;

- (d) to engage in disposition of Products;
- (e) to complete and satisfy all Environmental Compliance obligations and other Continuing Obligations relating to any or all of the Properties as may be governed by this Agreement and, after the Development Implementation Agreement, included in the Joint Venture and as required by applicable Law; and
- (f) to perform any other operation or activity necessary, appropriate or incidental to any of the foregoing.

1.4 **Limitation**

Unless the Participants otherwise agree in writing, on and after the Execution Date Operations shall be limited to the purposes described in Section 1.3, and nothing in this Agreement shall be construed to enlarge such purposes. Until the Development Implementation Date or termination of this Agreement, Rockex shall carry out Operations on the Properties with a view to completing a Feasibility Study for the Development of an iron mine on the Lake St. Joseph Project and processing facilities for the Products therefrom.

1.5 **Effective Date for the Formation of the Joint Venture**

The “**Effective Date**” for the formation of the Joint Venture in this Agreement shall be the Development Implementation Date as contemplated in Section 5.1(d) hereof.

1.6 **Form or Structure of the Joint Venture**

The Joint Venture may be constituted in the form of a corporation, limited partnership or other form or structure or may be constituted by this Agreement, in any case at the sole option of DIME, acting reasonably, exercised at any time on or within one (1) year after (but, for certainty, not before) the Development Implementation Date, based upon tax and other legal and business considerations and, in the event that DIME elects to use a corporation, limited partnership or other form or structure other than this Agreement (such other corporation, limited partnership or other form or structure, the “**Project Holding Company**”) all Participants covenant and agree to execute all documents and do and perform all acts necessary to give effect to the structure of the joint venture that is selected, provided that in the event that a Project Holding Company (namely, a form or structure other than the contractual joint venture structure comprised of nothing other than this Agreement) is selected, it shall be a condition precedent to the transfer of the Properties to such Project Holding Company that the terms, provisions and protections included in this Agreement shall be incorporated *mutatis mutandis* into a shareholders agreement, limited partnership agreement or other governing document applicable to such Project Holding Company, all in a manner satisfactory to each of the Participants, acting reasonably. In the event that the Participants are unable to agree on the terms of such shareholders agreement, limited partnership agreement or other form of agreement appropriate for such other form or structure so selected, the terms of such shareholders agreement, limited partnership agreement or other form of agreement appropriate for such other form or structure so selected shall, to the extent that the Participants are unable

to agree on the terms or wording of such shareholders agreement, limited partnership agreement or other form of agreement appropriate for such other form or structure, incorporate the terms and provisions of this Agreement, not be inconsistent with the terms, provisions and intentions described herein and otherwise be determined by an arbitrator who is an experienced mining lawyer practising in the City of Toronto, Ontario, with such arbitration conducted in accordance with the arbitration procedure set out in Section 14.8 hereof.

1.7 **Term**

Unless this Agreement is earlier terminated or terminates as provided in this Agreement, including, without limitation, pursuant to Section 5.1(f), 6.4(c) or 14.14 hereof, the term of this Agreement shall be for so long as DIME has the Option to earn the Interest in the Properties and, if so earned, so long as any of the Properties are jointly owned by the Participants hereto or by a Joint Holding Company therefor, and thereafter until all materials, supplies and equipment have been salvaged and disposed of, a final accounting has been made among the Participants, and any required Environmental Compliance has been completed and accepted by the appropriate governmental agencies.

2. **INTERPRETATION**

2.1 **Definitions**

Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings ascribed to such terms in Exhibit A annexed hereto.

2.2 **Cross References**

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

2.3 **Number and Gender**

Wherever words used herein are in the singular, such words include the plural, and *vice versa*. Similarly, whenever the neuter, masculine or feminine is used, the others are included.

2.4 **Exhibits**

Each of the Exhibits annexed hereto is incorporated by reference into this Agreement and shall comprise an integral part hereof.

3. **REPRESENTATIONS, WARRANTIES AND COVENANTS**

3.1 **Representations and Warranties of DIME**

DIME hereby represents and warrants to and in favour of Rockex, and acknowledges that Rockex is relying on such representations and warranties to enter into this Agreement, as follows:

- (a) DIME is a valid and subsisting corporation duly incorporated and in good standing under corporate laws of British Columbia;
- (b) entering into this Agreement does not and will not conflict with, and does not and will not result in a breach of, any of the terms of its incorporating documents or any agreement or instrument to which DIME is a party;
- (c) this Agreement has been authorized by all necessary corporate action on the part of DIME;
- (d) DIME has full corporate power, authority and capacity to enter into and to carry out its obligations under this Agreement, and is fully qualified to carry on business in the Provinces of British Columbia and Ontario and elsewhere where DIME carries on business;
- (e) DIME has obtained all approvals, consents and authorizations of its directors, shareholders and contracting parties (if any) and of all regulatory authorities required in connection with its entering into and carrying out its obligations under or contemplated by this Agreement;
- (f) no obligation of DIME in or contemplated by this Agreement conflicts with or shall result in the breach of any term in the articles of incorporation of DIME, any agreement or binding obligation of DIME, or any Laws or regulatory requirements applicable to DIME;
- (g) DIME has duly executed and delivered this Agreement, which binds DIME in accordance with the terms hereof; and
- (h) there are no lawsuits pending or threatened against DIME affecting the Properties or this Agreement. There are no proceedings pending for, and there is no basis for the institution of any proceedings leading to, the dissolution or winding-up of DIME or the placing of DIME into bankruptcy or subject to any other laws governing the affairs or status of insolvent persons or corporations.

3.2 **Representations and Warranties of Rockex**

Rockex hereby represents and warrants to and in favour of DIME, and acknowledges that DIME is relying on such representations and warranties to enter into this Agreement, as follows:

- (a) Rockex is a corporation duly incorporated, organized and validly existing under the laws of the Province of Ontario;
- (b) Rockex has full corporate power, authority and capacity to enter into and to carry out its obligations under this Agreement;

- (c) Rockex has obtained all approvals, consents and authorizations of its directors required in connection with its entering into and carrying out its obligations under or contemplated by this Agreement;
- (d) no obligation of Rockex in or contemplated by this Agreement conflicts with or shall result in the breach of any term in the articles of incorporation of Rockex, any agreement or binding obligation of Rockex, or any Laws or regulatory requirements applicable to Rockex;
- (e) Rockex has received all necessary board of directors, shareholders, contracting parties (if any) and regulatory approvals required in connection with its entering into and carrying out its obligations under or contemplated by this Agreement;
- (f) Rockex has duly executed and delivered this Agreement, which binds Rockex in accordance with the terms hereof;
- (g) Rockex is the legal and beneficial owner of one hundred percent (100%) of the mineral rights, title and interest in those Properties listed in Exhibit B, free and clear of any liens or Encumbrances save and except royalties held by Pierre Gagné (collectively, the “**Gagné Royalty**”);
- (h) Rockex has paid all necessary taxes, access, administration, assessment and other fees as are required to the date hereof to register, hold title to, maintain and transfer good title to the Properties;
- (i) there are no adverse claims or challenges against or to the ownership of or title to any of the Properties nor, to the best of the knowledge of Rockex, is there any basis therefor;
- (j) there are no outstanding agreements or options to acquire or purchase any interest in any of the Properties, or to explore, develop or exploit any mineral claims, rights or interests comprising any of the Properties, or to receive any royalties, net profits or other proceeds from the production or exploitation of any minerals or products from any of the Properties other than the Gagné Royalty;
- (k) entering into this Agreement does not and will not conflict with, and does not and will not result in a breach of, any agreement or instrument to which Rockex is party;
- (l) Rockex has due and sufficient right and authority to enter into this Agreement and to transfer the specified percentages and all of its right, title and interest in and to each of the Properties in accordance with this Agreement, subject to any necessary governmental consents for the transfer of mining leases, concessions, licences or other interests;
- (m) there are no lawsuits or legal proceedings pending or threatened against Rockex affecting the Properties, and there is no basis for the institution of any proceedings leading to, the dissolution or winding-up of Rockex or the placing of Rockex into

bankruptcy or subject to any other laws governing the affairs or status of insolvent persons or corporations;

- (n) as of the date of this Agreement, Rockex does not have (nor do any of its Subsidiaries or Affiliates have) any interest in any property within the Area of Interest, except the Properties;
- (o) to the best of Rockex's knowledge and belief, the scientific and technical information relating to the Properties or any of them disclosed by Rockex to DIME is true and correct in all material respects;
- (p) to the extent that any licences or permits are required to conduct Exploration on any of the Properties, such licences or permits have been obtained by Rockex and are in good standing;
- (q) the creation of the Joint Venture will not violate any licences or permits held by Rockex in respect of any of the Properties;
- (r) the Properties are, and each of them is, free and clear of any Encumbrances or adverse claims of any kind whatsoever, save and except the Gagné Royalty;
- (s) the Properties have, and each of them has, been properly and legally staked or properly and legally acquired by Rockex;
- (t) Rockex is the sole recorded holder and beneficial owner of each of the Properties and all mineral exploration claims and rights therein;
- (u) there are no orders or directives relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to any of the Properties and the conduct of operations related thereto, nor has Rockex received any notice thereof and, to the best of Rockex's knowledge and belief, no such orders or directives are threatened or pending and there is no basis therefor; and
- (v) the Properties collectively comprise three (3) iron-rich mineral projects:
 - (i) the Eagle Island project (including Eagle, Fish and Wolf islands) comprising thirteen (13) claims covering approximately 2,592 hectares,
 - (ii) the East Soules Bay project comprising five (5) claims covering approximately 656 hectares, and
 - (iii) the Root Lake project comprising five (5) claims covering approximately 1,152 hectaresin the Lake St. Joseph area of north-western Ontario, and situated approximately 300 kilometres north of the city of Thunder Bay and approximately 100 kilometres northeast of the town of Sioux Lookout.

3.3 **Covenants and Undertakings of Rockex**

Rockex hereby covenants and agrees as follows:

- (a) Rockex shall refrain from any act or thing contrary to or inconsistent with the terms of this Agreement which would prevent DIME from exercising its rights in accordance with the terms and conditions of this Agreement;
- (b) Rockex shall make available to DIME and its representatives all records and files relating to the Properties or any of them and permit DIME and its representatives at DIME's expense to take abstracts therefrom and make copies thereof; and
- (c) Rockex shall promptly provide DIME with any and all notices and correspondence received by Rockex from government agencies in respect of the Properties or any of them.

3.4 **Disclosures**

Each of the Participants represents and warrants to the other Participant 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 misleading in any material respect.

3.5 **Recorded Title**

Title to the real and personal property included in the Assets shall, until the Development Implementation Date, remain recorded in the name of Rockex and, as of the Development Implementation Date and thereafter:

- (a) in the event that there is no election made under Section 1.6 or such election is to proceed as a contractual joint venture in accordance with the terms hereof, be recorded in the name of Rockex until the Funding Completion Date at which time title shall be recorded in the name of the Participants according to their respective initial Participating Interests set out in Section 6.1(a) hereof, with the Participants to hold such title thereafter in trust for the Participants in accordance with their respective interests determined in accordance with this Agreement from time to time or
- (b) in the event that there is an election made under Section 1.6 to use a corporation, limited partnership or other form or structure, be recorded in the name of such corporation, the general partner of such limited partnership, or such other appropriate form, structure or nominee therefor.

3.6 **Loss of Title**

Any failure or loss of title to any of the Assets, and all costs of defending title thereto, prior to the Development Implementation Date shall be undertaken at the expense of

Rockex and, after the Development Implementation Date, shall be charged to the Venture, except for any failure or loss resulting from a breach of a representation or warranty by Rockex hereunder.

3.7 Indemnities

- (a) Each Participant shall indemnify the other Participant, and its respective directors, officers, employees, agents, attorneys and Affiliates (each an “**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 such Participant (the “**Indemnifying Participant**”) of any representation, warranty or covenant contained in this Agreement.
- (b) If any claim or demand is asserted against a Participant or an Indemnified Party in respect of which such Participant or 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 Participant or Indemnified Party, as the case may be, 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 Participant or Indemnified Party, as the case may be, to participate, at the Participant’s or Indemnified Party’s expense and with counsel of the Participant’s or Indemnified Party’s choice, as the case may be) the defence, compromise or settlement of the matter, including, at the Indemnifying Participant’s expense, employment of counsel of the Indemnifying Participant’s choice. Any damages to the Assets or business of the Participant or 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 Participant or 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 amount for which the Indemnifying Participant shall be obligated to indemnify the Participant or Indemnified Party. Any settlement or compromise of a matter by the Indemnifying Participant shall include a full release of claims against each Indemnified Party and the applicable Participant which has arisen out of the indemnified claim or demand.
- (c) Each Participant shall hold the rights to indemnification in trust for each Indemnified Party who is a director, officer, employee, agent, attorney or Affiliate of such Participant and shall do all such things as may be necessary or advisable to assert or enforce the rights of indemnification of such Indemnified Parties as herein provided for.

4. RELATIONSHIP OF THE PARTICIPANTS

4.1 No Partnership

Nothing contained in this Agreement shall be deemed to constitute any Participant to be a partner of any other Participant, nor, except as otherwise herein expressly provided, to constitute any Participant to be an agent or legal representative of any other Participant, nor to create any fiduciary relationship among the Participants. The Participants do not intend to create, and this Agreement shall not be construed to create, any mining, commercial, tax or other partnership. No 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. Except as expressly provided herein, the rights, duties, obligations and liabilities of the Participants shall be several and not joint or collective. Except as expressly provided herein, each Participant shall be responsible only for its own obligations as herein set out and shall be liable only for its share of the costs and expenses as provided herein. It is the intention of each Participant hereunder that the ownership of the Assets and the rights acquired hereunder shall be held by the Participants 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 any other Participant. The doctrines of “corporate opportunity” and “business opportunity” shall not be applied to any other activity, venture or operation of any Participant, and no Participant shall have any obligation to any other Participant with respect to any opportunity to acquire any property outside the Properties or the Area of Interest at any time save and except as contemplated by Section 4.5 hereof. Except as provided for in this Agreement or unless otherwise agreed in writing, no Participant shall have any obligation to mill, beneficiate or otherwise treat any other Participant's share of Products in any facility owned or controlled by such Participant.

4.3 No Royalty or Other Interests

Except as provided in Section 13.5, no Participant shall be entitled or permitted to create any Encumbrance of any nature on all or any part of the Assets other than the Permitted Encumbrances and the Iron Ore Royalty contemplated by Section 6.4 hereof.

4.4 No Third Party Beneficiary Rights

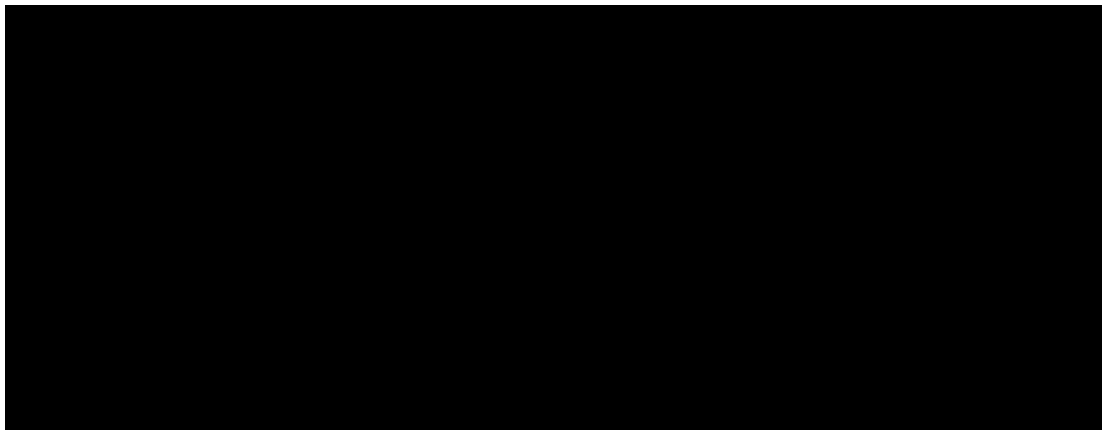
Except as expressly provided for in Section 3.7 hereof, this Agreement shall be construed to benefit the Participants and their respective successors and permitted assigns only and shall not be construed to create third party beneficiary rights in any other person, party, governmental agency or organization.

4.5 Area of Interest

- (a) The Participants agree that in the event that any property or properties having the potential of containing reserves or resources of iron ore located wholly or in part within a distance of ten (10) kilometres from the external perimeter of any of the Properties (together with the lands and other rights referred to in Section 4.5(b), the “**Area of Interest**”) (as the Properties are increased from time to time by acquisitions in accordance with this Section 4.5 or decreased from time to time by returns from the Venture to Rockex pursuant to Section 4.6 or abandoned pursuant to Section 12) are acquired or are proposed to be acquired by any of the Participants hereto or any of their respective associates (within the meaning ascribed to such term in the *Securities Act* (Ontario)) or Affiliates, whether by purchase, staking or otherwise, such property must first be offered to the other Participant for inclusion at cost as part of the Properties which are the subject of this Agreement at the applicable time.

The Redacted material is prejudicial to the interests of Rockex.

(b)



- (c) Prior to the Development Implementation Date, Rockex may from time to time acquire such claims, leases, lands, surface rights and other rights within the Area of Interest which Rockex considers necessary or advisable for Exploration, Development or Mining purposes in which event such additional claims, leases, lands, surface rights and other rights shall be included as part of the Properties which are the subject of this Agreement without any change or other adjustment to the amount set out herein for the Phase One Project Funding.
- (d) On and after the Development Implementation Date, the Management Committee shall have a period of thirty (30) days from receipt of notice of the acquisition or proposed acquisition (together with the actual or proposed terms of acquisition and all information available in respect of such property) to determine whether or not to acquire such property for the Joint Venture (provided that the members of the Management Committee representing the Participant offering such property within the Area of Interest shall not be permitted to vote against acquiring such property for inclusion in the Properties) and shall exercise such right by giving written notice within such 30-day period, failing which the right to acquire such property and include it in the Properties shall be deemed to be waived and released.

4.6 Return of Properties

Notwithstanding any other provision of this Agreement, the Participants hereto agree that at any time or from time to time up to and including the Development Implementation Date DIME shall have the right on notice in writing to Rockex to disclaim any interest in acquiring any of the Properties or any parts thereof and, on delivery of such notice, the “**Properties**” herein shall be deemed to exclude such disclaimed properties; provided, however, that nothing in this Section 4.6 shall reduce any of the payment, delivery or other obligations of DIME in Section 5.

The Participants further agree that at any time or from time to time after the Development Implementation Date, the Management Committee shall have the right to disclaim any of the Properties in whole or in part, provided that any Participant whose members of the Management Committee voted in favour of such disclaiming decision shall not be permitted to acquire such property and any Participant whose members of the Management Committee voted against such disclaiming decision shall have the right and option to acquire such property at a nominal price.

5. THE INTEREST, OPTION AND CONTRIBUTIONS BY PARTICIPANTS

5.1 The Option

- (a) Subject to the terms and conditions of this Agreement, Rockex hereby grants to DIME an exclusive option (the “**Option**”) to earn an undivided forty percent (40%) right, title and interest (the “**Interest**”) in and to each and all of the Properties and other Assets in the form of a joint venture with Rockex as such joint venture is described in this Agreement, which Option is subject to fulfilment and completion of the terms and conditions and in the manner which follow in this Section 5.1.
- (b) Rockex hereby grants to DIME the Option to acquire an undivided forty percent (40%) right, title and interest in and to any or all of the Properties and other Assets as a participant in the Joint Venture upon satisfaction of the following conditions:
 - (i) Completion of the Phase One Project Funding in the amount of thirty million dollars (\$30,000,000) as described in Section 5.1(c) hereof; and
 - (ii) Completion of the Phase Two Project Funding in the amount of the Project Cost as determined by the Feasibility Study and currently estimated to be approximately three billion, seven hundred and seventy two million dollars (\$3,772,000,000) as described in Section 5.1(d) hereof.

On satisfaction of DIME’s obligations under the foregoing requirements in accordance with the terms of this Agreement (the date on which such requirements are first satisfied being the “**Funding Completion Date**”), DIME shall have completed the exercise of the Option and earned the Interest and thereupon the Participating Interests of each of Rockex and DIME in the

Properties and other Assets shall be established in accordance with Section 6.1(a) hereof.

- (c) The Phase One Project Funding will be completed when the steps and procedure set out in Sections 5.1(c)(i) through 5.1(c)(vi) have been fulfilled and completed in accordance with their terms as outlined below but in the event that Section 5.1(c)(vi) is not completed but Section 5.1(c)(vii) is implemented, the Phase One Project Funding will be deemed not to have been completed:
- (i) Rockex will provide DIME with Proof of Funds that Rockex has funds of not less than three million dollars (\$3,000,000) in hand or available to Rockex, on terms satisfactory to DIME, acting reasonably. For the purposes of this Subsection 5.1(c)(i) and Subsection 5.1(f)(i), DIME acknowledges receipt of such Proof of Funds on terms satisfactory to DIME.
 - (ii) Rockex (and, if applicable, its lender providing the funds referred to in Section 5.1(c)(iv)), DIME and an Escrow Agent will enter into an Escrow Agreement for the purposes hereinafter described in this Section 5.1(c).
 - (iii) DIME will arrange for an unconditional, irrevocable letter of credit to be issued by a Schedule 1 Canadian chartered bank acceptable to Rockex (or its lender, as the case may be) (for which purposes, the Royal Bank of Canada, the Toronto-Dominion Bank and the Bank of Montreal are hereby acknowledged by Rockex to be acceptable) in favour of Rockex (or its lender, as the case may be) as beneficiary, in the amount of \$3,300,000 and for a term of not less than 360 days after the release date referred to in Section 5.1(c)(v)(A).
 - (iv) Following the Execution Date of this Agreement and the execution and delivery of the Escrow Agreement for the Phase One Project Funding:
 - (A) Rockex will deliver or cause to be delivered \$3,000,000 into escrow in accordance with the Escrow Agreement for the Phase One Project Funding; and
 - (B) DIME will deliver the letter of credit referred to in Section 5.1(c)(iii) into escrow in accordance with the Escrow Agreement for the Phase One Project Funding.
 - (v) Rockex (or its lender, as the case may be) will be given a copy of the letter of credit deposited into escrow as aforesaid and afforded an opportunity for a period of seven (7) Business Days thereafter to complete its due diligence investigations in respect of such letter of credit and,
 - (A) in the event that Rockex (and its lender) is satisfied with such due diligence investigations, on delivery of notice from Rockex (or its lender, as the case may be) to DIME and the Escrow Agent within

such period confirming satisfaction with such due diligence investigations the Escrow Agent for such escrow will simultaneously release the \$3,000,000 to DIME without interest or deduction (which shall constitute a loan by Rockex (or its lender, as the case may be) to DIME (the “**Interim Loan**”) and be evidenced by a promissory note as described in the Escrow Agreement) and release the said letter of credit to Rockex (or its lender, as the case may be) (which shall constitute security provided by DIME for its repayment of the said Interim Loan from Rockex (or its lender, as the case may be) to DIME); or

(B) in the event that Rockex (or its lender, as the case may be) is not satisfied with its due diligence investigations or for any reason does not provide notice to DIME and the Escrow Agent within such period of time, the Escrow Agent for such escrow will simultaneously return the \$3,000,000 to Rockex (or its lender, as the case may be) without interest or deduction and return the letter of credit to DIME;

(vi) In the event that the funds and letter of credit are released in accordance with Section 5.1(c)(v)(A) and DIME pays:

(A) Rockex \$27,000,000 to Rockex as an option payment;

(B) \$3,000,000 to Rockex (or to its lender, as the case may be) as repayment of the Interim Loan,

within 120 days after the escrow release date under Section 5.1(c)(v)(A), Rockex (or its lender, as the case may be) shall return to DIME the letter of credit referred to in Section 5.1(c)(iii) without making any draws thereon; and

(vii) In the event that the funds and letter of credit are released in accordance with Section 5.1(c)(v)(A) and DIME does not pay to Rockex \$27,000,000 on account of the option payment as contemplated by Section 5.1(c)(vi)(A) and repay in full the Interim Loan, all within 120 days after the escrow release date under Section 5.1(c)(v)(A), DIME shall repay to Rockex (or its lender, as the case may be) the Interim Loan plus the a fee of \$300,000 (the “**Preferred Return Fee**”), aggregating \$3,300,000, within ten (10) Business Days after expiry of such 120-day period and, on failure of DIME to pay such \$3,300,000 to Rockex (or its lender, as the case may be) within such period of ten (10) Business Days, Rockex (or its lender, as the case may be) shall have the absolute and unqualified right to draw upon the letter of credit referred to in Section 5.1(c)(iii) the difference between \$3,300,000 and the amount (if any) paid to Rockex (or its lender, as the case may be) on account of the Interim Loan and/or the Preferred Return Fee.

- (d) The Phase Two Project Funding will be completed in accordance with Sections 5.1(d)(i) and 5.1(d)(ii); provided, however, that in the event that the steps and events described in Section 5.1(d)(ii) are completed but those in Section 5.1(d)(i) are not completed then, for the purposes of determining whether or not the exercise of the Option has been completed and, more particularly, whether or not the Phase Two Project Funding has been completed in accordance with Section 5.1(b)(ii), the Phase Two Project Funding shall be deemed to have been completed upon satisfaction of the condition in Section 5.1(d)(ii) whether or not the condition in Section 5.1(d)(i) has been completed but, in the event that, in any circumstances, the condition in Section 5.1(d)(ii) is not completed, then the Phase Two Project Funding will be deemed not to have been completed:
- (i) subject to Section 5.1(g), completion of financings by Rockex in the aggregate for ten percent (10%) of the Project Cost in a timely manner in accordance with approved Programs and Budgets; and
 - (ii) completion by DIME of its commitment to make capital contributions to the Joint Venture for ninety percent (90%) of the Project Cost (or, alternatively, one hundred percent (100%) of the Project Cost in the event of exercise of DIME's conditional option set out in Section 5.1(g) hereof) by providing such capital contributions in a timely manner in accordance with approved Programs and Budgets.

Within six (6) months after Rockex delivers the Feasibility Study for the Lake St. Joseph Project to DIME, DIME shall deliver to Rockex DIME's unconditional and unqualified commitment to make capital contributions for ninety percent (90%) of the Project Cost estimated in such Feasibility Study (the date of such notice being the "**Development Implementation Date**"). In the event that DIME does not deliver to Rockex within such 6-month period DIME's unconditional and unqualified commitment to make capital contributions for ninety percent (90%) of the Project Cost estimated in such Feasibility Study, DIME shall not be obligated to make the capital contributions described in Section 5.1(d)(ii) but, in such circumstances, namely in the event that DIME does not, within the said 6-month period, commit to proceed with the capital contributions described in Section 5.1(d)(ii), Rockex shall have the right to give notice to DIME to terminate the Option and this Agreement in accordance with Section 5.1(f) hereof. However, in the event that DIME commits to proceed with the capital contributions described in Section 5.1(d)(ii), DIME shall be committed to providing all such capital contributions described therein.

- (e) On completion of the exercise of the Option in accordance with all of the requirements of Section 5.1(b) hereof:
- (i) DIME shall be deemed to have earned the Interest and such Interest will vest in DIME as a Participant in the Joint Venture subject to the terms and provisions of this Agreement; and

- (ii) In accordance with Section 6.8 hereof, DIME shall have the retraction right to require Rockex or the Project Holding Company, as the case may be, to redeem part of DIME's Participating Interest or part of DIME's Project Holding Company's shares, as the case may be, from time to time in the manner and subject to the terms, provisions and conditions of Section 6.8 hereof.
- (f) In the event that any one or more of the following events occurs:
- (i) Rockex is unable to provide DIME with Proof of Funds for \$3,000,000 satisfactory to DIME in accordance with Section 5.1(c)(i) within sixty (60) days after the Execution Date hereof (for the purposes of this Section 5.1(f)(i), DIME acknowledges receipt of such Proof of Funds on terms satisfactory to DIME);
 - (ii) The Escrow Agreement referred to in Section 5.1(c)(ii) is not fully executed by Rockex (and its lender, if applicable), DIME and the Escrow Agent concurrently with or within ten (10) days after the Execution Date hereof;
 - (iii) DIME is unable or unwilling to provide the Escrow Agent with the letter of credit referred to in Section 5.1(c)(iii) hereof within five (5) days after Rockex has deposited \$3,000,000 into escrow with such Escrow Agent;
 - (iv) Rockex (or its lender, as the case may be) does not provide notice of satisfaction of its due diligence investigations in accordance with Section 5.1(c)(v) to DIME and the Escrow Agent within the time period set out in Section 5.1(c)(v);
 - (v) DIME does not pay to Rockex \$27,000,000 as an option payment on account of the Phase One Project Funding within 120 days after the escrow release date under Section 5.1(c)(v)(A);
 - (vi) DIME does not repay the Interim Loan within 120 days after the escrow release date under Section 5.1(c)(v)(A);
 - (vii) DIME does not, within six (6) months after Rockex delivers the Feasibility Study for the Lake St. Joseph Project to DIME, deliver to Rockex DIME's unconditional and unqualified commitment to make capital contributions to the Joint Venture equal to ninety percent (90%) of the Project Cost estimated in such Feasibility Study;
 - (viii) DIME does not pay to Rockex on its due date any cash call made to DIME by Rockex in respect of the Phase Two Project Funding in accordance with approved Programs and Budgets and, within the 30-day curative period provided for in Section 5.3 hereof, DIME does not cure such Default; or

- (ix) At any time prior to the Funding Completion Date, DIME breaches any of the terms or provisions of this Agreement, in any material respect (for the purposes hereof, failure to make any payment pursuant to an approved Program and Budget shall be deemed for all purposes to be material), and such breach is not cured within the 30-day curative period provided for in Section 5.3 hereof;

then, on the occurrence of any one or more of the foregoing events and on notice from Rockex to DIME in respect thereof, the Option hereby granted by Rockex to DIME shall terminate, expire and be at an end, in which event (I) this Agreement and the Joint Venture contemplated hereby shall be terminated, (II) DIME shall be deemed to have withdrawn from the Joint Venture (if such Joint Venture has at that time been formed), (III) DIME shall not be entitled to any return of capital or other distributions from Rockex or the Joint Venture, shall forfeit any and all interest it may have had in the Option, the Joint Venture (if formed) and shall have no interest in the Properties or other Assets or, if a Project Holding Company has been formed pursuant to Section 1.6 hereof, in the Project Holding Company, and (IV) Rockex and, if applicable, the Project Holding Company shall be released from any and all obligations to DIME.

- (g) In the event that DIME delivers to Rockex within the 6-month period provided for in Section 5.1(d) hereof DIME's unconditional and unqualified commitment to make capital contributions for ninety percent (90%) of the Project Cost estimated in such Feasibility Study, Rockex shall have the right and opportunity within ninety (90) days after the Development Implementation Date to give notice to DIME granting DIME the right and option to fund one hundred percent (100%) of the Project Cost estimated in such Feasibility Study and, upon doing so, to acquire an undivided forty-nine percent (49%) right, title and interest in and to any or all of the Properties and other Assets as a participant in this Joint Venture and, in the event that DIME delivers to Rockex, within ninety (90) days after receiving Rockex's notice, DIME's unconditional and unqualified commitment to fund one hundred percent (100%) of the Project Cost estimated in such Feasibility Study and, if the Phase Two Project Funding is successfully completed in accordance with the terms hereof:
 - (i) the Interest to be earned by DIME shall be forty nine percent (49%) right, title and interest in and to any or all of the Properties and other Assets as a participant in this Joint Venture;
 - (ii) the initial Participating Interests to be established pursuant to Section 6.1(a) hereof on the Funding Completion Date shall be:
 - (A) DIME - a Participating Interest equal to forty nine percent (49%), and
 - (B) Rockex – a Participating Interest equal to fifty one percent (51%); and

- (iii) the Initial Contribution for DIME referred to in Section 6.2(a)(i) hereof as at the Funding Completion Date shall be deemed to be equal to forty nine percent (49%) and the Initial Contribution for Rockex referred to in Section 6.2(a)(ii) shall be deemed to be 51/49 of that amount determined in accordance with Section 6.2(a)(i) to be DIME's Initial Contribution as at the Funding Completion Date.

In the event that DIME makes the commitment to fund one hundred percent (100%) of the Phase Two Project Funding in accordance with this Section 5.1(g) but does not complete its obligations thereunder, the provisions of Section 5.1(f) hereof shall apply *mutatis mutandis*.

5.2 Right of Entry

Rockex and its respective employees, agents, permitted assigns and independent contractors shall continue to have the unfettered and absolute right to access the Properties and to conduct programs on any or all of the Properties at any time and from time to time from the Execution Date until the Development Implementation Date of this Agreement and, after the Development Implementation Date until either (i) Rockex is no longer Manager or (ii) termination of this Agreement, whichever first occurs. Furthermore, at any time after the execution of this Agreement and continuing until completion of the exercise of the Option or until other termination of this Agreement, whichever first occurs, Rockex and its employees, agents, permitted assigns and independent contractors shall, subject to the terms of this Agreement, continue to have the sole and exclusive right and option to:

- (a) enter upon any or all of the Properties;
- (b) have possession of any or all of the Properties;
- (c) undertake exploration activities on any or all of the Properties and incur expenditures in respect thereof;
- (d) bring upon and erect upon any or all of the Properties such Exploration, Development and Mining facilities as Rockex may consider advisable; and
- (e) remove from any or all of the Properties samples and other exploration products.

5.3 Cure Periods

If DIME fails to strictly meet the dates for making payments, fulfilling its covenants and commitments or completing its obligations as set out in this Agreement (each, a "Default"), Rockex shall notify DIME of the Default and DIME shall not lose any rights under this Agreement unless, within thirty (30) days after the date of delivery of such notice of such Default, DIME has not cured the Default; provided that, if such Default (other than a Default which is a result of DIME's lack of funds) cannot be cured by DIME with reasonable diligence within such 30-day period, the said 30-day period shall be extended for such additional time as DIME is pursuing such cure diligently except that

in no circumstances, other than in the event of a continuing Force Majeure, shall any such curative period continue for more than one hundred and twenty (120) days.

6. PARTICIPATING INTERESTS

6.1 Participating Interests

- (a) *Initial Participating Interests.* Subject to Subsection 5.1(b), Subsection 5.1(g) and Subsection 6.1(b), as at the Funding Completion Date the Participants shall have the following initial Participating Interests in the Properties and the Assets of the Joint Venture:
 - (i) DIME - a Participating Interest equal to forty percent (40%), and
 - (ii) Rockex – a Participating Interest equal to sixty percent (60%),
- (b) *Changes in Participating Interests.* Following the Funding Completion Date, a Participant's Participating Interest shall only be changed as follows:
 - (i) upon an election or deemed election by a Participant pursuant to Subsection 9.4(b) not to contribute or to continue to contribute to an adopted Program and Budget or to contribute less than the percentage reflected by its Participating Interest;
 - (ii) retraction of part of DIME's Participating Interest in accordance with the retraction right described in Section 6.8 hereof;
 - (iii) elimination of a minority interest as provided in Section 6.4;
 - (iv) 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 its rights under Subsection 6.3(b);
 - (v) pursuant to a transfer by a Participant of all or a portion of its Participating Interest in accordance with Section 13; or
 - (vi) upon the 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) The initial contributions (the “**Initial Contribution**”) of each of the Participants as at the Funding Completion Date shall be deemed to be as follows:
 - (i) the Initial Contribution of DIME shall, subject to Section 5.1(g), be forty percent (40%) of the aggregate amount of the property contributions and cash contributions made or deemed to have been made by all Participants

pursuant to Section 5.1 from the Execution Date to and including the Funding Completion Date; and

- (ii) the corresponding Initial Contribution of Rockex shall, subject to Section 5.1(g), be deemed to be 60/40 of that amount determined in accordance with Section 6.2(a)(i) to be DIME's Initial Contribution as at the Funding Completion Date.
- (b) At any time after the Project Funding Recovery Date, a Participant may elect, as provided in Subsection 9.4(b), to limit its contributions to an adopted Program and Budget (without regard to its vote on adoption of the Program and Budget) as follows:
- (i) to contribute some lesser amount than its respective Participating Interest of such Program or Budget; or
 - (ii) to not contribute at all,

and, in either such case, such electing Participant is hereinafter referred to in this Section 6.2(b) as a “**Diluting Participant**” and any other Participant is hereinafter referred to as a “**Non-Diluting Participant**”.

In such event, any such 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 Section 9.4(b), to propose an alternative Program and Budget and the Participants shall, within seven (7) days thereafter, make a re-election under Section 9.4(a) or Section 9.4(b).

If such Non-Diluting Participant elects to continue with the initially adopted Program and Budget or a subsequently revised and adopted Program and Budget, as applicable, the Participating Interest of the Diluting Participant electing or re-electing shall be recalculated at the time of such applicable election by dividing (i) the sum of a + b + c for the Diluting Participant by (ii) the sum of a + b + c for all Participants; and multiplying the result by 100, where:

a = the value of the Initial Contribution of the applicable Participant(s) as defined in Section 6.2(a),

b = the total of all of the contributions of the applicable Participant(s) to previous Programs and Budgets, and

c = the amount that the applicable Participant(s) elect(s) to contribute to the current approved Program and Budget.

That is, the Participating Interest of the Diluting Participant shall be equal to:

$$\frac{a+b+c \text{ of the Diluting Participant} \times 100}{a+b+c \text{ of all Participants}} = \text{recalculated Participating Interest.}$$

The Participating Interest of the Non-Diluting Participant shall thereupon be recalculated in the same manner.

In the event that, at any time and from time to time after the Funding Completion Date, the contributions by Participants after such Funding Completion Date are not in accordance with each Participant's Participating Interest in the Joint Venture, 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 from the Funding Completion Date to the applicable date for such recalculation. 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 on the basis of its recalculated Participating Interest at the applicable time.

6.3 Default in Making Contributions

- (a) In the event that, at any time after the Funding Completion Date, a Participant elects to contribute to an approved Program and Budget and then defaults in making some or all of its contributions under such approved Program and Budget or defaults to meet a cash call under Section 9.8, the non-defaulting Participant may, but is not obligated to, advance the defaulted contribution on behalf of the defaulting Participant and treat such advance, together with any accrued interest, as a demand loan bearing interest from the date of the advance, calculated at three percent (3%) per annum in excess of the prime rate declared from time to time by the Manager's Canadian banker as the reference rate for Canadian dollar demand loans to its most credit-worthy customers in Canada. The failure to repay such loan upon demand shall be a default of the loan (but not a default of this Agreement).
- (b) The Participants acknowledge and agree 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 Section 6.3(a), as required hereunder, it will be significantly detrimental to the Joint Venture. In the event of such a default, the Participating Interests of the Participants shall be recalculated pursuant to Section 6.2(b). Such recalculation of Participating Interests pursuant to Section 6.2 shall be the sole remedy and the sole consequence for the default in making a contribution to an approved Program and Budget or a cash call under Section 9.8 or in repaying a loan under Section 6.3(a) and, upon such recalculation, the obligation to make any such contribution or cash call shall be deemed to be released and any such loan shall be deemed to have been repaid.

6.4 Elimination of Minority Interest

- (a) At any time after the Funding Completion Date, in the event that any Participant's Participating Interest dilutes to an amount which is less than ten percent (10%) of the aggregate of all of the Participating Interests in the Joint Venture, such Participant's Participating Interest in the Joint Venture shall be eliminated and exchanged for a one percent (1.0%) royalty (the "**Royalty**") on the terms described in Exhibit D to this Agreement and the Participant whose Participating Interest had reduced to less than ten percent (10%) shall be deemed to have withdrawn from the Venture and shall relinquish its entire Participating Interest in exchange for the Royalty, free and clear of any Encumbrances arising by, through or under them other than the Royalty, the Gagné Royalty and other Permitted Encumbrances at that time.
- (b) On conversion of a Participating Interest into the Royalty pursuant to this Section 6.4, the parties hereto covenant and agree to execute and deliver a royalty agreement in the form attached hereto as Exhibit D.
- (c) If a Participant relinquishes its Participating Interest pursuant to this Section 6.4, the other Participant shall have the unfettered right to make all decisions regarding the Properties, including any decisions at any time or from time to time to suspend, curtail or terminate any production as such other Participant, in its sole discretion, may determine. Except for or as provided in Section 6.5 and Section 14.5 and this Section 6.4, this Agreement shall terminate on conversion of a Participant's Participating Interest into the Royalty and vesting of one hundred percent (100%) of all the Properties in one Participant.
- (d) For the purposes of this Section 6.4 and the calculation of a Participant's Participating Interest for the conversion of same into the Royalty:
 - (i) Rockex and any and all assignees of Rockex's Participating Interest, in whole or in part, shall be aggregated into one combined Participating Interest and
 - (ii) DIME and any and all assignees of DIME's Participating Interest, in whole or in part, shall be aggregated into one combined Participating Interest and,as a result, there shall only be one Royalty resulting from the dilution of any Participating Interest to an amount which is less than ten percent (10%) and conversion thereof into a Royalty.
- (e) For the purposes of this Section 6.4, each of the Projects created pursuant to Section 6.9 hereof shall be considered as a separate Property for determination of the conversion of a Participating Interest in the applicable Project into a Royalty on the applicable Project.

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 such liability 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 6.5, such Participant's share of such liability shall be equal to its Participating Interest at the time that the acts, omissions or other events 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 Encumbrances arising by, through or under such other Participant, other than Permitted Encumbrances and the Royalty (if any) contemplated by Section 6.4.

6.6 Documentation of Adjustments to Participating Interests

Except pursuant to Section 5.1, adjustment to a Participating Interest need not be evidenced during the term of this Agreement by the execution and recording of appropriate instruments in any public recording or registry system, but each Participant's Participating Interest shall be as shown in the books of the Joint Venture as maintained by the Manager. However, each Participant, at any time upon the request of the other Participant, shall execute and acknowledge any and all instruments necessary to evidence or effectuate such adjustment in a form sufficient for recording in the jurisdiction where the Properties are located.

6.7 Subordination of Interests

Each Participant shall, from time to time, take all necessary actions, including the execution of appropriate agreements, to pledge and subordinate its Participating Interest, any liens it may hold which are created under this Agreement and any other right or interest it holds with respect to the Assets (other than a Royalty created pursuant to Section 6.4) to any secured borrowings for Operations authorized by this Agreement or approved by the Management Committee created pursuant to Section 7.

6.8 Right of Retraction

DIME shall have the right of retraction, exercisable on the first anniversary of the Funding Completion Date and once in each year thereafter on the anniversary of the Funding Completion Date subject to the following terms, provisions and conditions:

- (a) at least sixty (60) days notice (prior to the applicable anniversary of the Funding Completion Date) shall be given by DIME to the Management Committee to exercise the retraction right;
- (b) not more than twenty five percent (25%) of DIME's initial Participating Interest as of the Funding Completion Date may be retracted in any one year;

- (c) the retraction right may not be exercised unless the Joint Venture or Project Holding Company, as the case may be, shall have positive EBITDA in each of the current fiscal year-to-date and the immediately preceding fiscal year;
- (d) the retraction right may not be exercised unless the Joint Venture or Project Holding Company, as the case may be, shall have positive Net Cash Balances both prior to and after completion of the retraction; and
- (e) the retraction price per share or other interest being retracted shall be equal to the original capital cost per share or other interest being retracted, plus 10% per annum from the date of the original investment until the date of retraction, less any and all dividends and other distributions paid on such such share or other interest from the date of the original investment until the date of retraction.

6.9 Creation of Separate Projects

At any time on or after the Funding Completion Date, the Management Committee shall have the right, power and authority to designate any part or parts of the Properties as a separate project (a “**Project**”) in which event:

- (a) the Participants shall be deemed to have executed and delivered an agreement (the “**Project Agreement**”) on identical terms to this Agreement (or any agreement resulting from an election to employ a Project Holding Company made in accordance with Section 1.6 hereof), which Project Agreement shall apply to the applicable Project and only to such applicable Project, and
- (b) this Agreement shall be deemed to have been amended to apply only to those Properties other than the Project (collectively, the “**Remaining Properties**”),

with the intention that each of the Project and the Remaining Properties shall thereafter be governed by separate agreements pursuant to which Exploration, Development and Mining activities shall be determined independently and pursuant to which Participating Interests governed by one such agreement may vary independently from Participating Interests governed by the other agreement. For the purposes of this Section 6.9, the Management Committee shall also have the right, power and authority to determine the date of establishment of such Project and the name of such Project. The initial amounts of the capital accounts for determining the Participating Interests of the Participants in the Project and in the Remaining Properties, respectively, shall be determined by the Management Committee by (i) allocating to DIME’s capital account for the Project a fraction of DIME’s capital account for the Joint Venture determined in accordance with Section 6.2(a)(i) and updated in accordance with Section 6.2(b) to the day immediately prior to the effective date of establishing the Project, where such fraction’s numerator is the amount of Exploration, Development and Mining expenditures in DIME’s capital account which were spent on the Project up to the day immediately prior to such effective date (as determined by the Manager) and the denominator is the amount of Exploration, Development and Mining expenditures in DIME’s capital account which were spent on the Properties governed by this Agreement as at the day immediately prior to such

effective date (as determined by the Manager), and (ii) allocating to Rockex's capital account for the Project an amount equal to DIME's capital account for the Project as hereinbefore determined multiplied by a fraction of which the numerator is Rockex's Participating Interest as at the date of the establishment of the Project pursuant to this Section 6.9 and the denominator is DIME's Participating Interest as at the date of the establishment of the Project pursuant to this Section 6.9. The capital accounts of Rockex and DIME for the Remaining Properties, as at the date of establishment of the Project, shall be their respective capital accounts for all of the Properties immediately prior to such date less the amounts allocated to Rockex and DIME, respectively, for the Project.

7. MANAGEMENT COMMITTEE

7.1 Organization and Composition

Upon the Development Implementation Date, the Participants shall establish a management committee to determine overall policies, objectives, procedures, methods and actions under this Agreement (the "**Management Committee**"), such Management Committee to be comprised of:

- (a) From the Development Implementation Date until the Funding Completion Date and in the event that, at any time after the Funding Completion Date, Rockex has a Participating Interest of more than fifty percent (50%), the Management Committee shall be comprised of five (5) representatives, two (2) of whom shall be appointed by DIME and three (3) of whom shall be appointed by Rockex;
- (b) in the event that, at any time after the Funding Completion Date, DIME has a Participating Interest of more than fifty percent (50%), the Management Committee shall be comprised of five (5) representatives, three (3) of whom shall be appointed by DIME and two (2) of whom shall be appointed by Rockex; or
- (c) in the event that, at any time after the Funding Completion Date, each of DIME and Rockex has a fifty percent (50%) Participating Interest, the Management Committee shall be comprised of five (5) representatives, two (2) of whom shall be appointed by DIME and three (3) of whom shall be appointed by Rockex; and

one representative of each Participant on the Management Committee shall exercise on behalf of the Participant that such representative represents that number of votes equal to the percentage Participating Interest of the Participant which such representative represents (for example, for a Participant holding a 60% Participating Interest, one representative of such Participant shall hold and be able to cast sixty (60) votes and the other representative(s) of that same Participant shall not hold or cast any votes unless doing so in the absence of and in substitution for the first such representative of such Participant); provided, however, until the Project Funding Recovery Date, any Monetary Decisions of the Management Committee shall require the approval of at least four (4) members of the Management Committee (the "**Special Approval Vote**"); and provided further that, in the event that any Monetary Decision is approved by a percentage vote of the Participants but is not so approved by a Special Approval Vote of at least four (4)

members of the Management Committee, the Manager shall have the right, power and authority, but not the obligation, to arrange financing for the costs of implementing such Monetary Decision, including, without limitation, using the Properties and the Project as security for such financing.

For the purposes of this Agreement, including, without limitation, Sections 7.1, 9.7, 10.1, 10.2 and 10.3 hereof, the following terms have the following meanings ascribed to them:

(A) **“Monetary Decisions”** means:

- (I) at any time prior to the Funding Completion Date, those decisions which constitute a change of the cost of any item described in the Feasibility Study by an amount greater than ten percent (10%) of such estimated cost in such Feasibility Study; or
- (II) at any time on or after the Funding Completion Date and while no Participant has elected to take all or any part of its Products in kind, those decisions in respect of which the Manager will not, in the opinion of the Manager, have sufficient funds from Operations or financings approved by the Management Committee to pay the budgeted costs for the applicable Monetary Decisions and, as a result, the Participants would, but for the Special Approval Vote, be subject to cash calls being made pursuant to Section 9.7 hereof.

(B) **“Project Funding Recovery Date”** means that date on which DIME has first received from the Manager cash distributions from the net proceeds of the sale of Products or from financings or refinancings approved by the Management Committee or from retractions pursuant to Section 6.8 where the aggregate amount of all such distributions received by DIME to and including such date are equal to or greater than the Initial Contribution of DIME determined in accordance with Section 6.2(a)(i) hereof.

7.2 **Manager of the Joint Venture**

Unless DIME’s Participating Interest is greater than fifty percent (50%), Rockex will be the Manager of the Joint Venture provided that Rockex, in its capacity as Manager of the Joint Venture, shall at all times be subject to the direction of the Management Committee. After the Development Implementation Date, all work programs relating to the Properties and the Joint Venture require the prior approval of the Management Committee.

7.3 **Decisions**

After the Development Implementation Date, each Participant, acting through its appointed representatives on the Management Committee shall have votes on the Management Committee determined by its representation on the Management Committee in accordance with Section 7.1 as at the date of such vote.

7.4 Meetings

After the Development Implementation Date, the Management Committee shall hold regular meetings at least annually in Toronto, Ontario or at other mutually agreed places. The Manager shall give not less than 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 not less than ten (10) Business 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 (1) member representing each Participant having at least a twenty five percent (25%) 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 to a Business Day not less than seven (7) Business Days following the originally scheduled meeting but no later than fourteen (14) Business Days following the originally scheduled meeting, and, at such rescheduled meeting, there shall be a quorum if at least one (1) member representing any Participant having greater than a twenty percent (20%) 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. Both of these documents shall be placed in the minute book for the Joint Venture 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 Joint Venture cost. All other costs associated with Management Committee meetings shall be paid for by the Participants individually.

7.5 Action Without Meeting

In lieu of meetings, the Management Committee may: (i) hold telephone conferences, so long as all members participating can hear each other simultaneously and minutes are prepared in accordance with Section 7.4; or (ii) pass resolutions in writing signed by all members.

7.6 **Matters Requiring Approval**

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

8. **MANAGER**

8.1 **Appointment**

- (a) On the Development Implementation Date, the parties shall be deemed to appoint Rockex as the initial Manager as at the Development Implementation Date with overall management responsibility for Operations thereafter.
- (b) Initially Rockex and thereafter any other appointed Manager shall remain as Manager:
 - (i) until it resigns pursuant to Section 8.4; or
 - (ii) until its Participating Interest ceases to be equal to or greater than fifty percent (50%);

in which event the other Participant may be appointed Manager at the election of such other Participant (namely, other than the Manager that has resigned or had its interest diluted to less than 50%).

8.2 **Powers and Duties of Manager**

Subject to the terms and provisions of this Agreement and to the direction of the Management Committee, on and after the Development Implementation Date 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:
 - (A) those existing at the time of, or created concurrent with, the acquisition of such Assets,
 - (B) mechanic's or materialmen's liens which shall be released or discharged in a diligent manner,
 - (C) Permitted Encumbrances or
 - (D) other Encumbrances specifically authorized by this Agreement or approved by the Management Committee or the Participants in accordance with the terms of this Agreement including, without limitation, Sections 8.2(t), 8.2(u) and 13.5 hereof;
- (d) the Manager shall conduct such title examinations and, subject to Section 3.5, cure such title defects relating to the Properties as may be advisable in the reasonable judgment of the Manager;
- (e) the Manager shall:
 - (i) make or arrange for all payments required by concessions, leases, licences, permits, contracts and other agreements related to the Assets; and
 - (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 and, 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, licences and approvals;
 - (ii) comply with all applicable Laws;

(iii) notify promptly the Management Committee of any allegations of substantial violation of any such permits, licences, approvals or applicable Laws, and

(iv) prepare and file all reports or notices required for Operations; and

in the event of any violation of permits, licences or approvals, the Manager shall timely use reasonable commercial efforts to cure or dispose of such violations or non-compliance through performance, payment of fines and penalties, or 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 Joint Venture or affecting Operations or the Assets. The Manager shall prosecute and defend, but shall not initiate without consent of the Management Committee, any and 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 including, if applicable, harmonized sales tax (in either case, 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 under the Act 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 Canada Revenue Agency 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; the foregoing provisions of this Section 8.2(h) shall apply *mutatis mutandis* in respect of provincial or other governmental sales taxes (including Ontario provincial sales tax);
- (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 hereof. However, without prior authorization from the Management Committee, the Manager shall not:
- (i) dispose of Assets in any one (1) transaction having a value in excess of \$250,000 prior to the Development Implementation Date and \$500,000 thereafter;

- (ii) enter into any sales contracts or commitments for Products, except as permitted in Section 8.2(t), 8.2(u), 10.1, 10.3 or 10.4(b) hereof;
 - (iii) begin a liquidation of the Venture or its Assets; or
 - (iv) dispose of all or a substantial part of the Assets necessary to achieve the purposes of the Joint 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 consistently applied;
 - (l) the Manager shall select and employ at competitive rates all supervision and labour necessary or appropriate to all Operations hereunder. All persons employed hereunder, the number thereof, their hours of labour 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 and the Existing Data. 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 maintain insurance for the benefit of the Joint Venture and the Participants, in such amounts and of such nature as the Manager deems necessary or advisable to protect the Assets and Operations of the Joint 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 on other properties. 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. The costs of all exploration work performed on any of the claims included within the Properties – whether undertaken prior or subsequent to the date hereof -- shall be filed for assessment credits on the claims included within the Properties, which assessment credits may be transferred among the claims included within the Properties to be extent permitted by Law but shall not be transferred from any of the claims included within the Properties to any other claims or any other property not included within the Properties;
- (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 practicable, the Environmental

Compliance plan shall incorporate concurrent reclamation of any parts of the Properties disturbed by Operations;

- (r) any 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, bonds of the government of Canada or any province of Canada or deposit certificates of any schedule 1 Canadian chartered bank, and/or in other similar investments but only if expressly 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 Joint Venture. 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 submission, 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 to audit books, records and accounts related thereto;
- (t) with the authorization of the Participants and approval of the Management Committee, the Manager may enter into future contracts, forward sales, trading inputs, calls, options or any similar hedging, price protection or marketing mechanisms (collectively, "**Hedging Contracts**") for such length of time and on such terms as may be so consented to and approved; provided, however, that any such Hedging Contracts which are for a period of less than one (1) year in duration and less than fifteen (15) months into the future may be entered into by the Manager with the approval of the Management Committee (and without the authorization of the Participants) for Products in respect of which the Participants have not given notice under Section 10.2 to take in kind;
- (u) with the authorization of the Participants and approval of the Management Committee, the Manager may negotiate, for presentation to and final approval of the Participants prior to signing, streaming agreements, mineral pre-sale agreements and royalty agreements to provide funding for the Development of one or more of the Properties (collectively, "**Streaming Transactions**");
- (v) if Participating Interests are adjusted in accordance with this Agreement the Manager shall propose from time to time one (1) or more methods for fairly allocating costs for Continuing Obligations; and

- (w) 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 and workmanlike 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, licences, 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 Joint 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 a non-managing Participant to perform acts or to contribute amounts required of it pursuant to this Agreement.

8.4 **Resignation; Deemed Offer to Resign**

The Manager may resign upon thirty (30) days' prior written 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 aforesaid notice of resignation and, in the event that there are more than one other Participants and more than one so elects, the new Manager shall be determined by a vote of the Management Committee. If any of the following shall occur, the Manager shall be deemed to have offered to resign, which offer may 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 13.3(f)) ceases to be the highest among 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;
- (c) subject to availability of funds in the Joint Account, the Manager fails to pay its bills pertaining to Operations within ninety (90) days after they are due, unless the Manager is contesting such unpaid bills in good faith;
- (d) the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official is appointed over 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 judgment, decree or order for relief affecting its ability to serve as manager or affecting 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 Sections 8.4(d), 8.4(e) or 8.4(f), 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 remunerated as manager and reimbursed for its costs hereunder in the manner set out in the Accounting Procedure set forth in Exhibit C hereto.

8.6 Transactions with Affiliates

- (a) If the Manager engages an Affiliate of the Manager to provide services hereunder, such Affiliate of the Manager shall do so on terms no less favourable to the Joint Venture than would be the case with unrelated persons in arm's-length transactions.
- (b) Subject to Section 10, the Manager shall be permitted to sell Products from the Properties in the form of raw ore, concentrates or derivatives to an Affiliate of the Manager, provided that such sales shall be at prices and on terms no less favourable to the Joint Venture than those which would be extended to a third party that is not an Affiliate of the Manager.

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 consultants, contractors and subcontractors with respect to performance of Operations. Nothing contained in this Agreement or any contract or subcontract awarded by the Manager shall create any contractual relationship between any such consultant, contractor or subcontractor and the other Participant. Subject to the direction of the Management Committee, the Manager shall have complete control over and supervision of Operations and shall direct and supervise the same so as to ensure their conformity with this Agreement.

9. PROGRAMS AND BUDGETS

9.1 Operations Pursuant to Programs and Budgets

From and after the Development Implementation Date, but subject to DIME proceeding to exercise its Option in accordance with Section 5.1 hereof, 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 and Section 9.3. 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

From and after the Development Implementation Date, proposed Programs and Budgets shall be prepared by the Manager and shall generally be for one (1) calendar year (or, in the event that the Manager determines that appropriate programs for Development require a longer period to accomplish, the proposed Program and Budget may be prepared for a longer period to provide for a division of such Program and Budget into an initial year and the appropriate portion of the proposed Program and Budget be carried forward into a second year and, if applicable, a third year to cover such activities). Each adopted Program and Budget, regardless of length, shall be reviewed at least once a year at the annual meeting 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 year, at least sixty (60) days prior to the annual meeting of the Management Committee, a proposed Program and Budget for the succeeding year shall be prepared by the Manager and submitted to the Participants. Within thirty (30) days after 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 in good faith attempt for a period of time not to exceed fifteen (15) days to develop a revised Program and Budget acceptable to all Participants. The Manager shall submit any revised proposed Program and Budget to the Participants at least ten (10) days prior to the annual meeting of the Management Committee.

9.3 Adoption of Proposed Programs and Budgets

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

9.4 Election to Participate

After completion of the Development of the Principal Project and the commencement of Commercial Production from such Principal Project, for any period for which a Participant is electing to take Products in kind, at any time after the Project Funding Recovery Date by notice to the Management Committee within thirty (30) days after the

final vote of the Management Committee adopting a Program and Budget in respect of Operations 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 case such Participant's Participating Interest shall be recalculated as provided in Section 6.2, and such recalculated Participating Interest shall be effective as at 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, after completion of the Development of the Principal Project and the commencement of Commercial Production from such Principal Project the Manager exceeds the total of an adopted Budget by more than twenty percent (20%), then the excess over twenty percent (20%), unless:

- (i) directly caused by an emergency or unexpected expenditure made pursuant to Section 9.6; or
- (ii) 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. After completion of the Development of the Principal Project and the commencement of Commercial Production from such Principal Project, budget overruns of twenty percent (20%) or less shall be borne by the Participants in proportion to their respective Participating Interests as of the time at which the overrun occurs.

9.6 Emergency Expenditures

In case of emergency, the Manager may take any action that 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 at which the emergency or unexpected expenditure is incurred.

9.7 Cash Calls

- (a) After the Development Implementation Date and approval of a Program for the Development of the Principal Project and approval of the Budget in respect thereof and through and until the commencement of Commercial Production from the Principal Project, 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 on the basis of the adopted Program and Budget for such Development. 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 for deposit into the Joint Account such Participant's proportionate share of the amount of the billing for such month. 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 the next forty-five (45) days. All funds in excess of immediate cash requirements shall be invested in interest-bearing accounts (which may include, but is not limited to, bonds of the government of Canada or any province of Canada or deposit certificates of any schedule 1 Canadian chartered bank, and/or in other similar investments but only if such similar investments are expressly approved by the Management Committee) for the benefit of the Joint Account.
- (b) After completion of the Development of the Principal Project and the commencement of Commercial Production from such Principal Project, the Manager shall submit to each Participant, prior to the last day of each month, a statement for estimated cash and Environmental Compliance fund requirements for the next month on the basis of adopted Programs and Budgets and the anticipated source of such funds. In the event that the Manager is selling the Products of the Principal Project or any other Project in accordance with Section 10.1 hereof, such estimated cash and Environmental Compliance fund requirements shall, to the extent possible, be paid out of the proceeds of such sales of Products provided that, in the event and to the extent that such Product sales are insufficient to provide sufficient funds for the estimated cash and Environmental Compliance fund requirements, the Manager may submit billings to the Participants if such billings are approved as a Monetary Decision in accordance with Section 7.1 hereof. In the event that either or both of the Participants have elected to take some or all of their respective shares of Products in kind in accordance with Section 10.2 hereof, the Manager may submit billings to any Participant that is taking some or all of its respective share of Products in kind.

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 for deposit into the Joint Account such Participant's proportionate share of the estimated amount for the billing for such month. 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 to the next forty-five (45) days. All funds in excess of immediate cash requirements shall be invested in interest-bearing accounts (which

may include, but is not limited to, bonds of the government of Canada or any province of Canada or deposit certificates of any schedule 1 Canadian chartered bank, and/or in other similar investments but only if such similar investments are expressly approved by the Management Committee) for the benefit of the Joint Account.

9.8 Failure to Meet Cash Calls

- (a) After the Development Implementation Date and prior to the commencement of Commercial Production from the Principal Project, in the event that DIME fails to meet cash calls in the amount and at the times specified pursuant to Section 9.7(a) DIME shall be in default of such cash calls (and in default of this Agreement as described in Section 5.1(f)(vii)) and, subject to DIME's right to avail itself of the curative provisions of Section 5.3, Rockex shall have those rights, remedies and elections specified in Section 5.1(f) including the right to terminate the Option and this Agreement as described in the said Section 5.1(f).
- (b) After completion of the Development of the Principal Project and the commencement of Commercial Production from such Principal Project, a Participant that fails to meet cash calls in the amount and at the times specified pursuant to Section 9.7 shall be in default of such cash calls (but not in default of this Agreement), and the non-defaulting Participant shall have those rights, remedies and elections specified in Section 6.3 and no other rights, remedies or elections.

9.9 Audits

- (a) Unless waived by all Participants prior to the end of any particular calendar year (or, if the Management Committee has adopted an accounting period other than the calendar year, within ninety (90) days after the end of such period), within ninety (90) days following the end of each calendar year (or, if the Management Committee has adopted an accounting period other than the calendar year, within ninety (90) days after the end of such period), the Manager shall provide audited financial statements for such calendar year (or other accounting period) prepared in accordance with Canadian generally accepted accounting principles consistently applied. The audits shall be conducted by a national firm of chartered accountants selected by the Manager, unless otherwise agreed by all members of the Management Committee.
- (b) 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, which audit right will be limited to the period which ended not more than twenty-four months (24) 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 to have been waived.

10. DISPOSITION OF PRODUCTION

10.1 Sale of Products by the Manager

Until the Project Funding Recovery Date and thereafter unless the Participants otherwise agree pursuant to a Monetary Decision, the Manager shall have the right, power and authority to sell any and all of the Products from the Principal Project and any other Project in operation and to deposit into the Joint Account the proceeds of all such sales and to retain all or so much of such proceeds of sale to fund Operations and Developments in accordance with adopted Plans and Budgets. Any funds in excess of those required by the Manager for Operations and Development, including for contingencies, shall be distributed by the Manager to the Participants in such amounts and at such times as the Manager in its discretion considers advisable.

10.2 Taking In Kind

Each Participant shall have the right, at any time after the Project Funding Recovery Date, and subject to Section 10.1 and to any Hedging Contracts or Streaming Transactions approved by the Management Committee and, where applicable, authorized by the Participants, to elect annually, on notice given to the Manager and to the other Participant not less than ninety (90) days prior to December 31, to take in kind or separately dispose of its share of all Products in accordance with its Participating Interest (or such part thereof as such Participant may specify in such notice) for the next year following such notice. Any extra expenditure incurred in the taking in kind or separate disposition by any Participant of its proportionate share of Products (or such part thereof as such Participant may specify in such notice) shall be borne by such Participant. Except as otherwise provided herein, 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. Each Participant shall construct, operate and maintain, all at its own cost and expense, any and all facilities which may be necessary to receive and store and dispose of its proportionate share of any Products being taken in kind or being separately disposed of, at the rate they are produced.

10.3 Failure of Participant to Take in Kind

If, at any time after the Project Funding Recovery Date, the Management Committee has not authorized and directed the Manager to sell all or substantially all of the Products and a Participant:

- (a) does not elect to take its share of Products in kind, the Manager shall, jointly with the sale of its own share of Products (and, in such circumstances, the Manager may not sell its own share of Products without concurrently selling the other

Participant's share of Products (or the part thereof not being taken in kind) , use all reasonable efforts, or

- (b) elects pursuant to Section 10.2 but fails to take its share (or part thereof) 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 such Products for a period of time consistent with the minimum needs of the industry, but not to exceed past the last day of the calendar year in respect of which the notice under Section 10.2 relates or, if no such notice is given, from the last day of the calendar year in respect of which such notice under Section 10.2 could have been given. Subject to the terms of any such contracts of sale then outstanding or any Hedging Contracts or Streaming Contracts approved by the Management Committee without objection from such Participant, during any period after the Project Funding Recovery Date that the Manager is selling a Participant's share of production, the Participant may elect under Section 10.2 by notice to the Manager to take in kind. The Manager shall be entitled to deduct from the proceeds of any sale by the Manager for the account of a Participant reasonable expenses incurred in connection with the failure of a Participant to take its share of Products in kind, including, without limitation, the sale of such share of Products. All of the costs involved in arranging and providing storage and sales will be billed directly to, and be the sole responsibility of, the Participant whose share of production is so stored or sold. The Manager's charges for such assistance and any other related matters will be billed directly to, and be the sole responsibility, of the applicable Participant.

10.4 Hedging

- (a) 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.
- (b) The Management Committee shall have the right, power and authority to approve and authorize the Manager to enter into and implement Hedging Contracts which are for a period of less than one (1) year in duration and less than fifteen (15) months into the future from the date such Hedging Contracts are entered into, but only for Products in respect of which the Participants have not given notice under Section 10.2 to take in kind; provided, however, in the event and to the extent that at any time after the Project Funding Recovery Date the representatives of any Participant vote against any such Hedging Contract and such Participant then gives notice to the Manager within ten (10) Business Days after the date of the meeting of the Management Committee at which such Hedging Contract was approved, the Manager shall not include in such Hedging Contract any Products comprising part of such Participant's Participating Interest in the Products in respect of which such Participant objected.

11. WITHDRAWAL AND TERMINATION

11.1 Continuing Obligations

On and after termination of the Joint Venture, the Participants shall remain liable for:

- (a) any outstanding obligations relating to budgets approved in accordance with Sections 9.2 and 9.3, subject to release of certain obligations on a recalculation of Participating Interests as described in Section 6.3(b),
- (b) Continuing Obligations, including Environmental Liabilities, until final settlement of all accounts and
- (c) any liability, whether such liability accrues before or after termination, if such liability arises out of Operations during the term of the Agreement.

For purposes of this Section 11.1, a Participant's share of such liabilities shall be equal to its Participating Interest at the time that the event, act or omission giving rise to such liability occurred.

11.2 Disposition of Assets on Termination

Promptly after termination for any reason other than pursuant to Section 6.4, unless otherwise agreed by the Participants, the Manager shall take all action necessary to wind up the activities of the Joint Venture, and all costs and expenses incurred in connection with the termination of the Joint Venture shall be expenses chargeable to the Joint Venture.

11.3 Right to Data After Termination

After termination of the Joint Venture for any reason, each Participant shall be entitled to copies of all information acquired hereunder up to and including the date of termination and not previously furnished to it, provided that the applicable Participant requesting such information pays for the cost of such copying.

11.4 Continuing Authority

On termination of the Joint Venture, the Participant which was the Manager prior to such termination or withdrawal (or, in the event of a withdrawal by the Manager, the other Participant (other than the Manager) having the largest Participating Interest) shall have the power and authority to do all things on behalf of all 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;

and 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 all Participants and the Joint 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 are alleged to have, a common interest or a common liability.

11.5 **Survival of Ingress and Egress After Termination**

After termination of the Joint 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 PROPERTY**

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 or the Joint Venture or otherwise governed by this Agreement thereafter; provided, however, that the objecting Participant shall assume, and shall indemnify the other Participant from and against, 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 its interest in 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 other manner transfer or alienate, but excluding and excepting alienation done for the purposes of obtaining financing pursuant to and in accordance with Section 13.5.

13.2 **Right of First Refusal**

Each Participant (each, an “**Offeree**”) shall have a right of first refusal on any sale, transfer, mortgage or grant of security interest or any other disposition or encumbrance whatsoever in respect of any interest in the Properties, whether in whole or in part, at any time or from time to time, held by any other Participant (each, an “**Offeror**”) that wants to sell, transfer, mortgage or grant a security interest or otherwise dispose of or encumber any part or the whole or any interest in its Participating Interest. In the event that there are more than one Offeree, such Offerees shall share such right of first refusal *pro rata* in proportion to their respective Participating Interests and, in the event that one or more Offerees elect to exercise such right of first refusal and one or more Offerees elect not to do so, then the Offerees so electing to exercise the right of first refusal shall have the

right and option to elect to exercise the right of first refusal not being exercised by other Offerees. An Offeror shall give notice of any such proposed transaction (including a copy of the agreement in respect thereof) to the Offeree(s) and such Offeree(s) shall have the right at any time for a period of ninety (90) days from delivery of a notice of a proposed sale, transfer, mortgage, grant of security interest, disposition or encumbrance (which notice, to be effective, must include a copy of the agreement in respect thereof setting out all material terms) to elect to exercise its right and, if so exercised, a period of sixty (60) days after the expiry date of said 90-day notice period, to complete such transaction. In the event that the Offeree(s) does(do) not exercise such right or exercise(s) the right but does(do) not complete the transaction within the prescribed periods set out herein, the Offeror shall have the right to complete the subject transaction at any time within a period of seventy five (75) days thereafter; provided, however, that in the event that the Offeror does not complete such transaction within said 75-day period, the Offeree(s) shall have a fresh and new right of first refusal in respect thereof.

13.3 Limitations on Free Transferability

The transfer right of a Participant provided for in Section 13 shall, in the case of any transfer by any Participant, be subject to Section 13.2 and, in addition, 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 all or any part of a Participating Interest;
- (b) no transferee of all 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, licences or other similar authorizations;
- (e) the transferring Participant and the transferee shall bear all tax consequences of the transfer;
- (f) in the event of a transfer of less than all of a Participating Interest, the transferring Participant and its transferee shall, unless otherwise agreed by all of the other Participants, act and for all future purposes of this Agreement 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 either the transferring Participant or the

transferee as the sole authorized agent to act on their behalf and in respect 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 Joint 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.

13.4 Exceptions to Right of First Refusal

Section 13.2 shall not apply to:

- (a) the transfer by any Participant of all of its Participating Interest to an Affiliate provided that such Affiliate remains an Affiliate and, if the Affiliate ceases to remain an Affiliate, it shall transfer the Participating Interest back to the original Participant (and on any transfer of shares or other interest of the Affiliate or issuance of shares to a third party constituting such third party as majority owner, such transfer or issuance shall be deemed to be a transfer of the Participating Interest requiring compliance with the provisions of this Section 13 including Section 13.2);
- (b) transfer by a Participant of its Participating Interest to a Subsidiary and distribution of the shares of that Subsidiary to the Participant's shareholders pursuant to a plan of arrangement or as a dividend *in specie* provided that the Subsidiary is (or, concurrently with such distribution, becomes) a "reporting issuer" under the *Securities Act* (Ontario) or the securities legislation of any other province of Canada or the shares of such Subsidiary are or promptly following such distribution become listed on a recognized stock exchange in Canada or the United States;
- (c) incorporation of a Participant, or corporate consolidation or reorganization of a Participant by which the surviving entity shall possess substantially all of the property rights and interests, and be subject to substantially all of the liabilities and obligations, of that Participant and provided that the surviving entity acknowledges and agrees to be bound by this Agreement without exception or qualification;
- (d) corporate merger or amalgamation involving a Participant by which the surviving entity or amalgamated company shall possess all of the property rights and interests, and be subject to all of the liabilities and obligations of that Participant;
or

- (e) a sale or other commitment or disposition of Products or proceeds from sale of Products by a Participant upon distribution to it pursuant to Section 10 of this Agreement.

13.5 Encumbrances

No Participant shall pledge, mortgage or otherwise create an Encumbrance on its interest in this Agreement, its Participating Interest or its interest in 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 (a “Chargee”) first enter into a written agreement with the other Participant, in a form acceptable to the other Participant, acting reasonably, which provides that:

- (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 to such other Participant, to a third party at a public auction to be held at least ninety (90) days after prior notice to such 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; and
- (c) the Encumbrance 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. GENERAL PROVISIONS

14.1 Notices

Any notice, direction or other instrument required or permitted to be given hereunder shall be in writing and may be given by delivering such notice by hand or by paid courier service, mailing such notice or sending it by telecopier or email, in each case addressed as follows:

- (a) if to DIME:

Diversified Innovative Marketing Enterprises Ltd.
Post Office Box 13
Radium Hot Springs, British Columbia
Canada
V0A 1M0

Attention: Tony O. Beaton, Chief Executive Officer

Email: tbeaton@dimevc.com

Fax: _____

and

(b) if to Rockex:

Rockex Mining Corporation
580 New Vickers Street
Thunder Bay, Ontario
Canada
P7E 6P1

Attention: Armando Plastino, Chief Executive Officer

Email: armando.plastino@rockexmining.com

Fax: (807) 623-4221

Any notice to be required hereunder shall be in writing and sent by delivery, facsimile transmission, or prepaid registered mail addressed to the party entitled to receive the same or delivered to such party at the address specified below, or to such other address as any party may give to the other for that purpose. The date of receipt of any notice, demand or other communication hereunder shall be (i) the date of delivery if delivered prior to 4:00 p.m. (local time for the recipient) on a Business Day and on the next following Business Day if delivered after 4:00 p.m. (local time for the recipient) on a Business Day or on a day that is not a Business Day, (ii) the date of transmission if sent by facsimile and received prior to 4:00 p.m. (local time for the recipient) on a Business Day and on the next following Business Day if received after 4:00 p.m. (local time for the recipient) on a Business Day or on a day that is not a Business Day or, (iii) if given by registered mail, the date on which the notice, demand or other communication is actually received by the addressee.

14.2 **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. A waiver is only valid if provided in writing and if given in respect of any specific instance shall not be interpreted as a continuing waiver in other instances unless expressly stated otherwise.

14.3 **Modification**

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

14.4 **Force Majeure**

The obligations of a Participant (other than the payment of money by such Participant provided hereunder or such Participant's lack of funds, inability to pay or arrange for the payment or advance of funds or lack of the availability of funds) 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 (each a "**Force Majeure**"), including, without limitation, labour disputes (however arising and whether or not employee demands are reasonable or within the power of such Participant to grant); acts of God; Laws or directives of any government or governmental entity; judgments or orders of any court; inability to obtain on reasonably acceptable terms any public or private licence, permit or other authorization; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of 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 severe adverse weather condition; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors' or subcontractors' shortage of, or inability to obtain, labour, transportation, materials, machinery, equipment, supplies, utilities or services at reasonable rates or within reasonable time periods; accidents; breakdown of equipment, machinery or facilities; actions by citizen groups, including but not limited to environmental organizations, indigenous peoples 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 9.7 shall be reduced to levels consistent with actual Operations.

14.5 **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 Joint Venture to the full extent necessary for their enforcement and the protection of the Participant in whose favour they run: Section 3.1; Section 3.2; Section 3.3; Section 3.5; Section 3.6; Section 4.1; Section 4.2; Section 6.2; Section 6.3; Section 6.5; Section 6.8; Section 9.8; Section 10.2; Section 10.3; Section 11.1; Section 11.2; Section 11.3; Section 11.4; Section 11.5; Section 14.5; Section 14.6; Section 14.8; Section 14.9; Section 14.10; Section 14.13; Section 14.16; and Section 14.17.

14.6 **Confidentiality and Public Statements**

Except as otherwise provided in this Section 14.6, 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 Joint 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, such consent not to be unreasonably withheld, conditioned or delayed. 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 any of the Participants may engage or seek to engage and to employees and legal, accounting and other professional advisors 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 a Participant 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 14.6.

In the event that a Participant is required to disclose Confidential Information to any government, any court, agency or department thereof, or any securities commission or stock exchange, or to the public to the extent required by applicable Law (including in news releases pursuant to continuous disclosure obligations under applicable securities laws), or in response to a legitimate request for such Confidential Information, the Participant so required shall immediately notify the other Participant hereto of such requirement and the terms thereof, and the proposed form and content of the disclosure prior to such submission (unless such notice is prohibited by Law or there is insufficient time afforded under applicable Law). 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.

The provisions of this Section 14.6 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.

14.7 Entire Agreement: Successors and Permitted 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 Property and other Assets subject hereto, and any and all other prior negotiations, representations, offers or understandings between the Participants relating to the Properties, whether written or oral. This Agreement and the obligations and rights created herein shall be binding upon and enure

to the benefit of the respective successors and permitted assigns of the Participants. There are no conditions, covenants, representations, warranties or other agreements in connection with the subject matter hereof except as specifically set forth herein.

14.8 **Dispute Resolution**

(a) *Appointment of Arbitrator*

Should there be any dispute between the Participants with respect to any provision of this Agreement, or which touches upon the validity of this Agreement, or anything arising hereunder, the matter in dispute shall be submitted to arbitration pursuant to the *Arbitration Act, 1991* (Ontario) if any Participant (the “**Notifier**”) gives to the other Participant (the “**Receiver**”) written notice of such dispute, of its intention to resort to arbitration and that in its view discussions between the parties have indicated that there is little likelihood that the dispute will be settled by agreement. Within fifteen (15) days after receipt of such written notice by the Receiver, the Notifier and the Receiver shall together appoint one (1) arbitrator mutually acceptable to both parties. If the Notifier and the Receiver fail to come to an agreement concerning the appointment of an arbitrator within such period, the Notifier or the Receiver may apply to a Judge of the Superior Court of Justice (Ontario) to appoint an arbitrator.

(b) *Qualifications of Arbitrator*

No one shall be nominated to act as arbitrator who is in any way financially interested in the business affairs of any Participant.

(c) *Applicable Law*

The laws of the Province of Ontario shall govern the arbitration.

(d) *Arbitration*

The arbitrator appointed as aforesaid shall forthwith proceed to arbitrate the dispute between the Notifier and the Receiver in the City of Toronto and shall fix a time (within 60 days after such appointment) and place therein for the purpose of hearing evidence and representations and the arbitrator shall within 60 days or as soon thereafter as may be practicable render its decision and the decision of the arbitrator shall be final and binding upon the parties and shall not be subject to appeal. The cost of the arbitration shall be borne by the Participants as may be specified in such decision.

Submission to arbitration pursuant to the provisions of this Section 14.8 shall be a condition precedent to the bringing of any action or commencing any legal proceedings with respect to this Agreement.

(e) *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 or in fact breaching 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. No Participant seeking an injunction to prevent the contravention of Section 13 shall be required to provide security nor shall such Participant be liable for any loss or damages suffered by the enjoined Participant(s) as a result of an injunction so obtained.

14.9 **Further Assurances**

Each Participant agrees that it shall, from time to time and without additional consideration, execute all such additional documents and instruments and do all such acts and things which are within its powers as may be reasonably necessary, advisable or convenient in the opinion of the other Participant to implement and carry out the intent and purpose of this Agreement.

14.10 **Headings**

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

14.11 **Currency**

Unless otherwise expressly provided for, all dollar amounts expressed herein refer to Canadian dollars as the lawful currency of Canada.

14.12 **Severability**

If any provision of this Agreement is or shall become illegal, invalid or unenforceable, in whole or in part, the remaining provisions and part which are not illegal, invalid or unenforceable 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.

14.13 **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 Participants. All costs of Operations incurred hereunder shall be for the account of the Participant or Participants making or incurring the same and, 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.

14.14 **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 twenty (20) years after the death of the last survivor of all of the lineal descendants of Her Majesty Queen Elizabeth II of England living on the date of execution of this Agreement.

14.15 **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 any of the Properties or other Assets whether by way of physical partition, judicial sale or otherwise during the term of this Agreement.

14.16 **Governing Law**

This Agreement shall be construed and governed by the laws of the Province of Ontario and the federal law of Canada applicable therein.

14.17 **Professional Costs**

Each party hereto shall be responsible for its own legal and professional fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby.

14.18 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and may be transmitted electronically and the parties adopt any signatures received by a receiving fax machine or electronically as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

14.19 **Time of the Essence**

Time shall be of the essence of this Agreement and each provision hereof.

14.20 **Language**

The parties have agreed that this Agreement be drafted in the English language. Les parties ont convenu que cette entente de coparticipation soit rédigée en langue anglaise.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Dated at Thunder Bay, Ontario as of the “2nd” day of “May”, 2016.

ROCKEX MINING CORPORATION

Per: “Armando Plastino”
Armando Plastino
Chief Executive Officer
I have authority to bind the corporation.

Dated at Radium Hot Springs, British Columbia as of the “2nd” day of “May”, 2016.

**DIVERSIFIED INNOVATIVE MARKETING
ENTERPRISES LTD.**

Per: “Tony O. Beaton”
Tony O. Beaton
Chief Executive Officer
I have authority to bind the corporation.

EXHIBIT A - DEFINITIONS

Except as the context may otherwise require, the following words and terms shall have the meanings ascribed to them below:

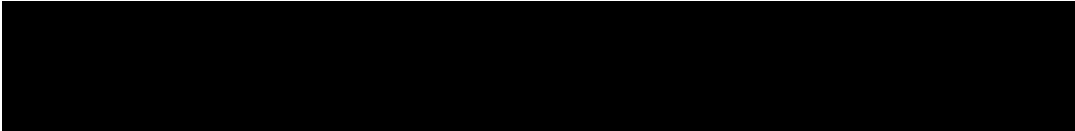
- (a) “**Accounting Procedure**” means the procedure set forth in Exhibit C.
- (b) “**Act**” has the meaning ascribed thereto in Section 8.2(h).
- (c) “**Affiliate**” of a Participant means an entity or person that Controls, is Controlled by, or is under common Control with the Participant through direct or indirect ownership of greater than fifty percent (50%) of equity or voting interest.
- (d) “**Agreement**” means this option and joint venture agreement, including any amendments hereto and modifications hereof, and all appendices, schedules and exhibits which are incorporated herein by reference.
- (e) “**Area of Interest**” has the meaning ascribed thereto in Section 4.5.
- (f) “**Assets**” means the Properties, Products and all other real and personal property, tangible and intangible, held for the benefit of the Participants hereunder.
- (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 in respect thereof.
- (h) “**Business Day**” means any day which is not a Saturday, Sunday or statutory holiday in the Province of Ontario.
- (i) “**Chargee**” has the meaning ascribed thereto in Section 13.5.
- (j) “**Commercial Production**” means Mining (but does not include the extraction of a bulk sample of less than 10,000 tonnes of ore or the milling of ore for the purpose of testing by a pilot plant) and shall be deemed to have commenced on the first day of the month following the first fifteen (15) consecutive days during which Products have been produced from a Property at an average rate of not less than seventy percent (70%) of the initial rated capacity of the production facilities built on or for the applicable Property.
- (k) “**Confidential Information**” has the meaning ascribed thereto in Section 14.6.
- (l) “**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.

- (m) “**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 that person, 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.

- (n) “**Default**” has the meaning ascribed thereto in Section 5.3.
- (o) “**Development**” means all preparation (other than Exploration) for the removal and recovery of Products, including the construction or installation of a mill or any other improvements to be used for the mining, handling, milling, concentrating, beneficiation or other processing of Products.
- (p) “**Development Implementation Date**” has the meaning ascribed thereto in Section 5.1(d).
- (q) “**Diluting Participant**” has the meaning ascribed thereto in Section 6.2(b).
- (r) “**EBITDA**” for the Joint Venture or the Project Holding Company means, for any fiscal period, the earnings before interest, taxes, depreciation and amortization determined in accordance with Canadian generally accepting accounting principles consistently applied.
- (s) “**Effective Date**” means the date determined pursuant to Section 1.5.
- (t) “**Election**” has the meaning ascribed thereto in Section 8.2(h).
- (u) “**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, excluding any assessment or similar work required by Law.

- (v) **“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.
- (w) **“Environmental Laws”** means Laws aimed at: reclamation or restoration of properties, including 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.
- (x) **“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 any Participant, by any person or entity other than any of the other Participants, 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 any of the Properties and/or emanating or migrating and/or threatening to emanate or migrate from any of 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.
- (y) **“Escrow Agent”** means such trust company licensed as such in the Provinces of Ontario and British Columbia or such law firm, in each case as may be acceptable to Rockex and DIME.
- (z) **“Escrow Agreement”** means an escrow agreement entered into between Rockex, DIME and an Escrow Agent for the purposes of the Phase One Project Funding or the Phase Two Project Funding, as the case may be.
- (aa) **“Execution Date”** means the later of the dates on the execution page (page __) hereof.

- (bb) “**Existing Data**” means maps, drill logs and other drilling data, core tests, core samples, pulps, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records, and any other material or information relating to any of the Properties as at the Development Implementation Date.
- (cc) “**Exploration**” means activities directed toward ascertaining the existence, location, quantity, quality or commercial value of deposits of Products.
- (dd) “**Exploration Program**” has the meaning ascribed thereto in Section 5.1(e).
- (ee) “**Feasibility Study**” means a bankable feasibility study prepared for the Lake St. Joseph Project in compliance with National Instrument 43-101 of the National Securities Administrators under the securities laws in Canada including the *Securities Act* (Ontario).
- (ff) “**Force Majeure**” has the meaning ascribed thereto in Section 14.4.
- (gg) “**Funding Completion Date**” has the meaning ascribed thereto in Section 5.1(b).
- (hh) “**Gagné Royalty**” has the meaning ascribed thereto in Section 3.2(g).
- (ii) “**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.
- (jj) “**GST**” has the meaning ascribed thereto in Section 8.2(h).
- (kk) 
- (ll) “**Hedging Contracts**” has the meaning ascribed thereto in Section 8.2(t).
- (mm) “**Indemnified Party**” has the meaning ascribed thereto in Section 3.7(a).
- (nn) “**Indemnifying Participant**” has the meaning ascribed thereto in Section 3.7(a).
- (oo) “**Initial Contribution**” means that contribution which each Participant agrees to make, or is deemed to have made, pursuant to Section 6.2(a).
- (pp) “**Interest**” means the undivided forty percent (40%) interest in the Properties to be earned by DIME in the manner described in Section 5.1(b) or, if applicable, forty-nine percent (49%) interest in the Properties to be earned by DIME in the manner described in Section 5.1(g).
- (qq) “**Interim Loan**” has the meaning ascribed thereto in Section 5.1(c)(v)(A).
- (rr) “**Iron Ore Royalty**” shall mean the “**Royalty**” described in Exhibit D.

The Redacted material is prejudicial to the interests of Rockex.

- (ss) “**Joint Account**” means the bank account to be opened after the Development Implementation Date and maintained in accordance with the Accounting Procedure showing the charges and credits accruing to the Participants.
- (tt) “**Lake St. Joseph Projects Account**” means a separate trust account of Rockex to be opened by Rockex after the Execution Date at Rockex’s bank in Thunder Bay, Ontario, and maintained until after the earlier of (i) the Development Implementation Date when it shall be replaced by the Joint Account or (ii) the date of termination of this Agreement.
- (uu) “**Lake St. Joseph Project**” means the development and construction of an open pit iron mine in and around Eagle Island on Lake St. Joseph in northwestern Ontario, together with a concentrating facility, transportation facility and beneficiating facility to produce hot briquetted iron or other saleable product from the iron ore from such mine.
- (vv) “**Law**” or “**Laws**” means all federal, provincial, territorial and local laws (statutory or common), rules, ordinances, regulations, grants, concessions, franchises, licences, 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 or Operations, regardless of whether or not in existence as at the Execution Date or enacted or adopted hereafter; provided, however, that nothing in this definition is intended to make laws applicable to the parties during periods when such laws are not applicable by their terms or the timing of their enactment.
- (ww) “**Management Committee**” means the committee established under Section 7.
- (xx) “**Manager**” means the person or entity appointed under Section 8 to manage Operations, or any successor Manager.
- (yy) “**Mining**” means the mining, extracting, producing, handling, milling, concentrating or other processing of Products, but does not include such operations (including a bulk sample not in excess of 10,000 tonnes) conducted for testing purposes.
- (zz) “**Monetary Decisions**” has the meaning ascribed thereto in Section 7.1(c).
- (aaa) “**Net Cash Balance**” for the Joint Venture or Project Holding Company means, at any time, the difference between current assets and current liabilities calculated in accordance with Canadian generally accepted accounting principles consistently applied.
- (bbb) “**Non-Diluting Participant**” has the meaning ascribed thereto in Section 6.2(b).
- (ccc) “**Notifier**” has the meaning ascribed thereto in Section 14.8.

- (ddd) “**Offeree**” has the meaning ascribed thereto in Section 13.2.
- (eee) “**Offeror**” has the meaning ascribed thereto in Section 13.2.
- (fff) “**Operations**” means the activities carried out under this Agreement.
- (ggg) “**Option**” has the meanings ascribed thereto in Section 5.1.
- (hhh) “**Participant**” and “**Participants**” mean Rockex and DIME, their respective successors and permitted assigns, and, subject to Section 13.3(f), the persons or entities that from time to time have Participating Interests.
- (iii) “**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 (3) decimal places and rounded to two (2) decimal places (e.g., 1.519% shall be rounded to 1.52% and 1.521% shall be rounded to 1.52%). Decimal fractions of 0.005 or more shall be rounded up; decimal fractions of less than 0.005 shall be rounded down. The initial Participating Interests of the Participants are set forth in Section 6.1(a).
- (jjj) “**Permitted Encumbrances**” means the Gagné Royalty and any other Encumbrances as may be (i) approved by all of the Participants or (ii) created pursuant to the provisions of this Agreement.
- (kkk) “**Phase One Project Funding**” means the payment by DIME to Rockex of \$30,000,000 comprised of the following:
 - (i) repayment of the Interim Loan in the amount of \$3,000,000 and
 - (ii) payment of the option price in the amount of \$27,000,000 andfor the purposes, among other things, of pursuing a Feasibility Study for the Lake St. Joseph Project as such project is defined above and described in Exhibit B.
- (lll) “**Phase Two Project Funding**” means the completion of financing arrangements in the aggregate amount of the Project Cost as determined by the Feasibility Study (currently estimated to be approximately \$3,772,000,000) comprised of the following:
 - (i) completion of financings by Rockex or the making financing commitments or arrangements by Rockex, in the aggregate for a substantial portion of ten percent (10%) of such Project Cost and
 - (ii) completion by DIME of its commitment of capital contributions to the Joint Venture by DIME for ninety percent (90%) of such Project Cost, on terms satisfactory to Rockex.

- (mmm) “**Preferred Return Fee**” has the meaning ascribed thereto in Section 5.1(c)(vi).
- (nnn) “**Principal Project**” means the project for iron ore mining, concentrating and beneficiation to hot briquetted iron in respect of the Eagle Island property described in Exhibit B or such other project as may be determined unanimously by the Participants and described in the Feasibility Study.
- (ooo) “**Products**” means all metals, ores, concentrates, minerals and mineral resources, including materials derived from the foregoing, produced from any of the Properties pursuant to this Agreement.
- (ppp) “**Program**” means a description in reasonable detail of Operations to be conducted by the Manager, as described in Section 9.
- (qqq) “**Project**” has the meaning ascribed thereto in Section 6.9.
- (rrr) “**Project Agreement**” has the meaning ascribed thereto in Section 6.9.
- (sss) “**Project Cost**” means the actual cost of the construction and development of the Lake St. Joseph Project as described and estimated in the Feasibility Study to be prepared with the Phase One Project Funding.
- (ttt) “**Project Funding Recovery Date**” has the meaning ascribed thereto in Section 7.1(c).
- (uuu) “**Project Holding Company**” means the corporation, limited partnership or other form, structure or entity selected in accordance with Section 1.6 of the Agreement as the entity to hold the Assets and carry on Operations.
- (vvv) “**Proof of Funds**” means confirmation of the availability of funds for the purposes of a financing in the form of evidence of such funds being held in a lawyer’s trust account, in an investor’s bank account, in an escrow agent’s trust account or in some other form satisfactory to DIME, acting reasonably.
- (www) “**Properties**” means, collectively, the mineral exploration properties known herein as the “LAKE ST. JOSEPH PROPERTIES” and situated in the Province of Ontario, which are described in Exhibit B attached hereto, as such properties may be increased or decreased in accordance with this Agreement, including Sections 4.5, 4.6 and 12 hereof, and, more particularly including, without limitation, all prospecting, research, exploration, exploitation, operating and mining permits, licences, claims and leases associated therewith.
- (xxx) “**Receiver**” has the meaning ascribed thereto in Section 14.8.
- (yyy) “**Remaining Properties**” means those Properties other than the Project, as determined pursuant to Section 6.9.
- (zzz) “**Royalty**” has the meaning ascribed thereto in Section 6.4.

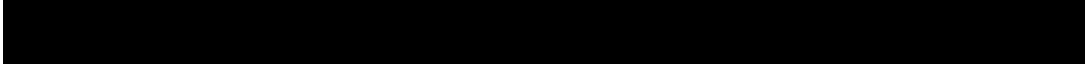
- (aaaa) “**Special Approval Vote**” has the meaning ascribed thereto in Section 7.1.
- (bbbb) “**Streaming Transactions**” has the meaning ascribed thereto in Section 8.2(u).
- (cccc) “**Subsidiary**” has the meaning ascribed thereto in the *Business Corporations Act* (Ontario).
- (dddd) “**transfer**” has the meaning ascribed thereto in Section 13.1.
- (eeee) 
- (ffff) “**Venture**” or “**Joint Venture**” means the contractual relationship of the parties under this Agreement or the corporation, limited partnership or other entity, form or structure adopted pursuant to Section 1.6 for the purposes of this Agreement.

EXHIBIT B

Rockex – Lake St. Joseph Properties

Claim Number	Township	# of Claim Units	Hectares
4215340	Trist Lake Area	16	256
4215341	Trist Lake Area	16	256
4215343	Trist Lake Area	16	256
4215345	Trist Lake Area	16	256
4215354	Trist Lake Area	16	256
4215356	Trist Lake Area	16	256
4215357	Trist Lake Area	16	256
4215358	Trist Lake Area	13	208
4216295	Trist Lake Area	1	16
4216296	Trist Lake Area	1	16
4216297	Trist Lake Area	15	240
4228649	Trist Lake Area	16	256
4268900	Trist Lake Area	4	64
Total		162	2592

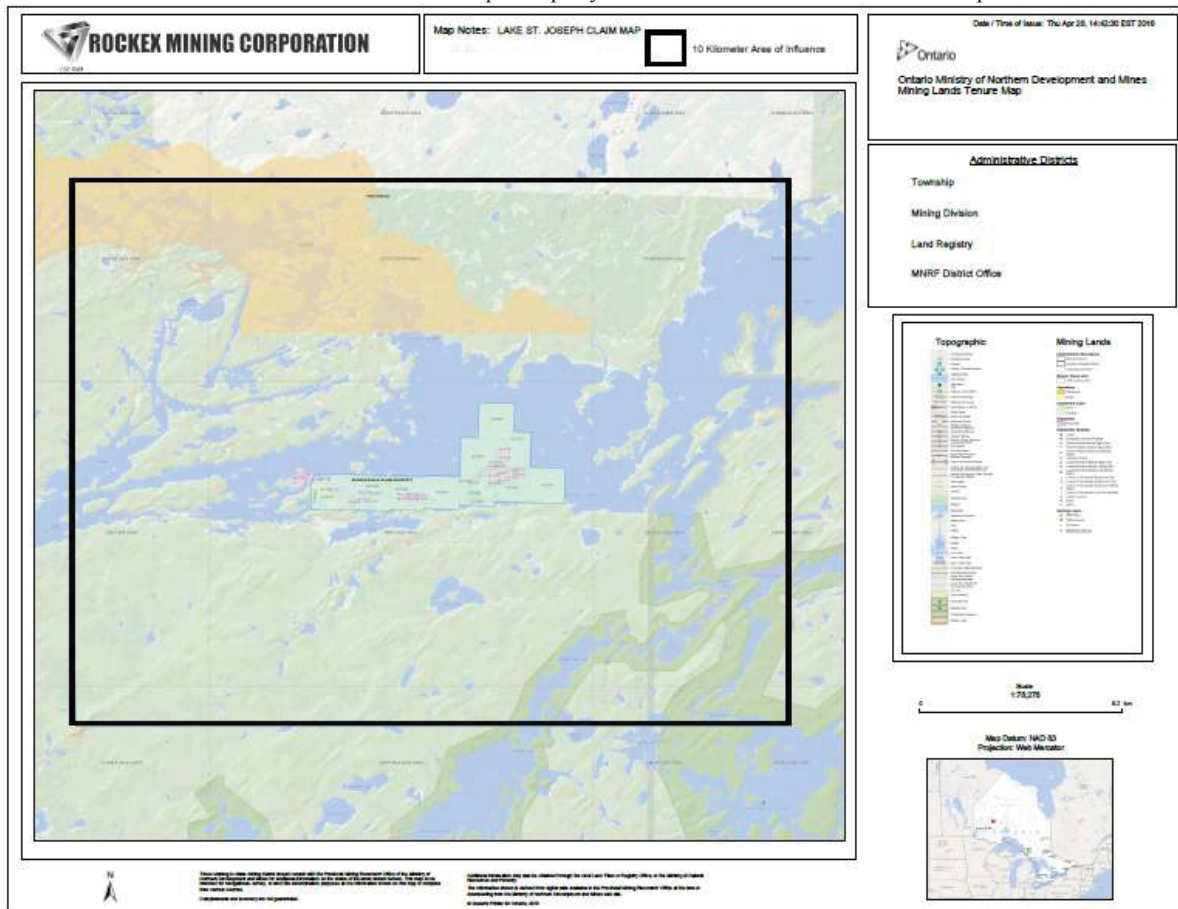
Rockex – Soules Bay Property

Claim Number	Township	# of Claim Units	Hectares
4244438	Riach Lake Area	1	16
4267101	Riach Lake Area	8	128
4267102	Riach Lake Area	1	16
4274764	Riach Lake Area	16	256
4215348	Riach Lake Area	15	240
Total		41	656

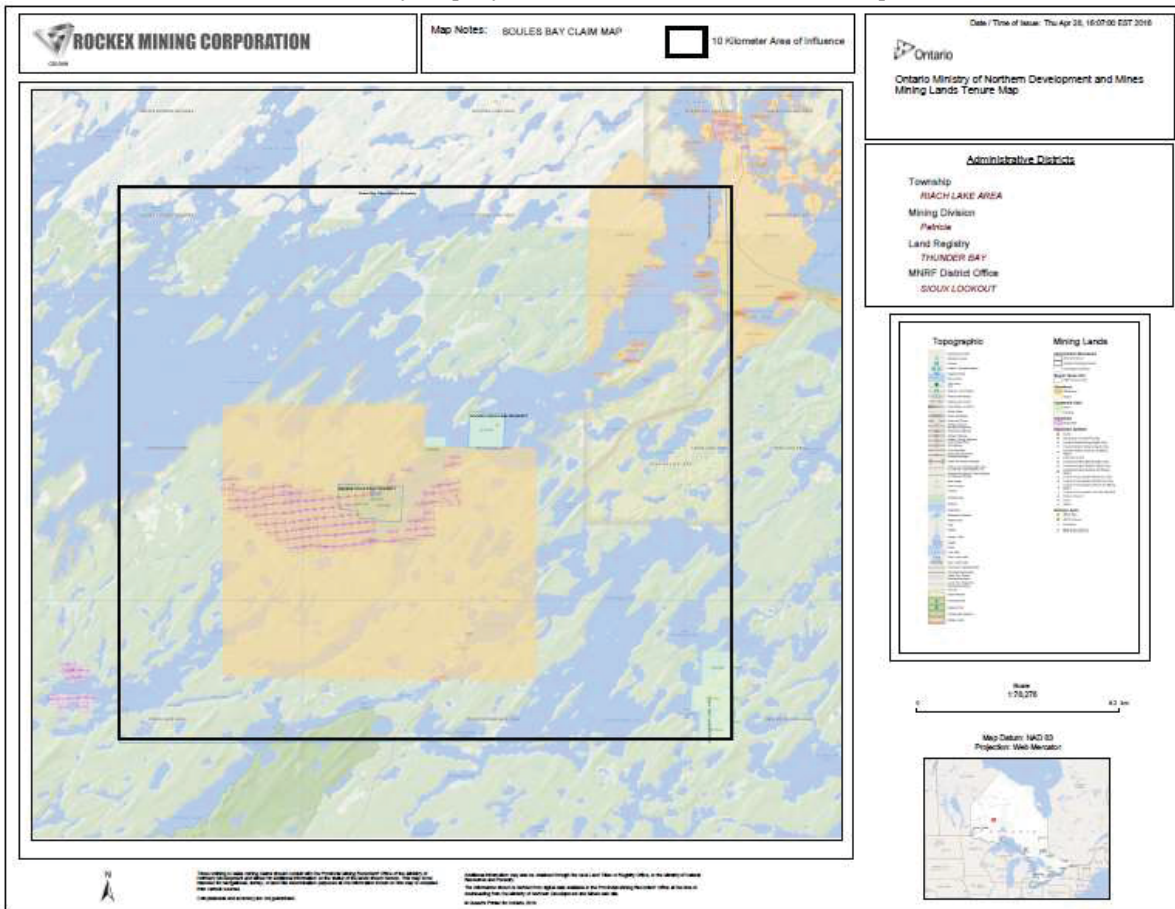
Rockex – Root Lake Property

Claim Number	Township	# of Claim Units	Hectares
4247984	Root Lake Area (Patricia)	8	128
4266928	Root Lake Area (Patricia)	16	256
4263714	Root Lake Area (Red Lake)	16	256
4266926	Root Lake Area (Red Lake)	16	256
4266927	Root Lake Area (Red Lake)	16	256
Total		72	1152

Lake St. Joseph Property – 10 Kilometer Area of Influence Map



Soules Bay Property – 10 Kilometer Area of Influence Map



Root Lake Property – 10 Kilometer Area of Influence Map

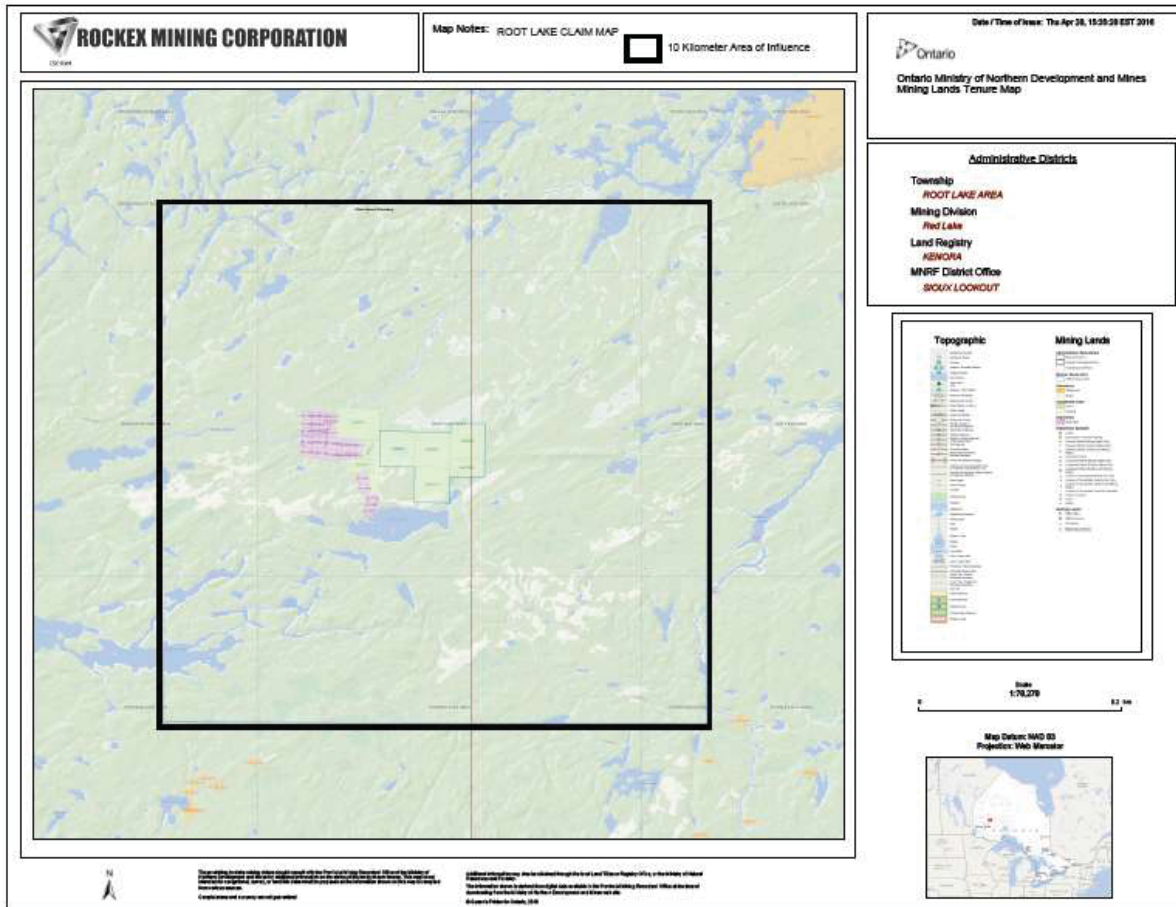


EXHIBIT C - ACCOUNTING PROCEDURE

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 Paragraphs 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 on and after the Development Implementation Date. 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 prevail.

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 all costs, revenues and expenditures and to prepare 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, whichever period is longer; before destroying any such records, the Manager shall offer to provide to each of the Participants a copy of such records proposed to be destroyed. The records shall reflect all obligations, advances and credits of the Participants.

1.2. Bank Accounts

The Manager shall maintain one or more separate bank accounts (each a “**Joint Account**”) for the payment of all costs and expenses and the deposit of all capital contributions, cash calls, loan advances, revenues and other receipts. There shall be no comingling of money from any other source or any other person deposited into any of the Joint Accounts.

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

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

- (b) Payments in respect of the Gagne Royalty and any Royalty.

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 same.
- (b) The Manager's cost of holiday, vacation, sickness and disability benefits, and other customary allowances applicable to the salaries and wages chargeable under Paragraphs 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 Paragraph 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 Paragraph 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 any governmental authority which are applicable to salaries and wages chargeable under Paragraphs 2.2(a) and 2.13, including all penalties except those resulting from the wilful misconduct or gross negligence of the Manager.
- (e) Those costs in Paragraphs 2.2(b), 2.2(c) and 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 Paragraphs 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 Joint 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 of the Royal Bank of Canada from time to time plus two percent (2%) 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 Paragraph 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 or advisable 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 or other insured or insurable property (including insurance against damage to third party property) resulting from any cause other than the wilful misconduct or gross negligence of the Manager.

2.10. Legal Expense

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

2.11. Audit

Cost of annual audits under Section 9.9 of the Agreement.

2.12. Taxes

All taxes (except income taxes, unless the corporation or other structure, form or entity selected in accordance with Section 1.6 of the Agreement is directly taxable under federal, provincial or other applicable taxation legislation) 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 profits accruing to such Participant from 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 Development Implementation Date, the Manager shall charge to the Joint Account and pay to itself each month at the end of each applicable month, an administrative charge determined as follows:

- (1) with respect to Operations before the commencement of Development, the administrative charge shall be equal to ten percent (10%) of Allowable Costs,
- (2) with respect to Operations after the commencement of Development but before the commencement of Commercial Production, the administrative charge shall be equal to two percent (2%) of Allowable Costs, and
- (3) with respect to Operations after the commencement of Commercial Production, the administrative charge shall be equal to three percent (3%) of Allowable Costs.

The specific rates provided for in this Paragraph 2.14 shall be established and may be amended from time to time by mutual agreement among the Participants if, in practice, the rates are found to be insufficient or excessive.

“**Allowable Costs**” as used in this Paragraph 2.14 shall include all amounts accrued to the Environmental Compliance fund, and all costs and expenses 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 Paragraph 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 Paragraph 2.2; (ii) accounting, billing and record keeping in accordance with governmental regulations and the provisions of the 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”): (i) 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; (ii) other used Material as defined hereafter shall be classified as Condition “C” and priced at fifty percent (50%) of New Price, namely, used Material which is serviceable for original function but not substantially suitable for reconditioning; (iii) Material which cannot be classified as Condition “B” or Condition “C” shall be priced at a value commensurate with its use; or (iv) 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 Paragraphs 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 any of the Material so furnished. Any dealer's or manufacturer's warranty applies.

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 Paragraph 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 as at the time of such division, and corresponding credits shall be made to the Participants' respective capital or other applicable accounts in the Joint Venture.

4.3. Sales

Proceeds from the sales of Material to third parties shall be credited to the Joint Account at the net amount received. Any damages or claims by any purchaser of any such Material 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 of Products and, where appropriate, Materials shall be taken by the Manager, which shall include all such Products and 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 Participants' respective income, capital or other applicable accounts in the Joint Venture 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 Participants' respective income, capital or other applicable accounts in the Joint Venture for overages and shortages, but the Manager shall be held accountable to the Joint Venture only for shortages due to the Manager's wilful misconduct or gross negligence.

**EXHIBIT D -
IRON ORE ROYALTY AGREEMENT**

THIS AGREEMENT made the ● day of _____ 20____,

BETWEEN:

Attention: _____
(the “**Payor**”),

- and -

Attention: _____
(the “**Payee**”)

WITNESSES THAT for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

Where used in this Agreement, the following terms have the meanings ascribed to them as follows:

- (a) “**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in the Province of Ontario.
- (b) “**Encumbrances**” means any mortgage, charge, pledge, lien, licence, privilege, security interest, royalty or other encumbrance.
- (c) “**Minerals**” shall mean any and all saleable products, whether in the form of ore, pellets, briquettes, pig iron, concentrates, metals or other minerals mined from the Property.
- (d) “**Royalty**” has the meaning assigned to it in Section 2.1 hereof.
- (e) “**Property**” means the mining claims, licences, leases or other forms of tenure, located in the northwestern part of Ontario, more particularly described in Schedule A hereto and any renewals, extensions or replacements thereof from time to time in whole or in part or licences, leases or other forms of mineral

tenures that the Payor may from time to time hold over such property or in respect thereof and, for the purposes of this Agreement, shall include or exclude, as the case may be, any and all mining or mineral exploration claims, licenses, leases or other forms of tenure staked or acquired and incorporated herein pursuant to Section 2.2 hereof or abandoned, surrendered or allowed to lapse or expire pursuant to Section 9.1 hereof.

6. GRANT OF ROYALTY

- 1.2 The Payee hereby reserves to itself and the Payor hereby grants and agrees to pay to the Payee an aggregate royalty (the “**Royalty**”) calculated at the rate of one percent (1%) of the sale price of products of any and all Minerals mined and processed from the Property, which sale price shall be equal to the invoice price at the point of sale less all transportation, loading, stockpiling or other costs from the time the products leave the Property (or a concentrating or other processing location owned or operated by the Payor) to the completion of the sale.
- 1.3 For the purposes hereof, any and all mining or mineral exploration claims which are acquired by staking or otherwise by or on behalf of the Payor together with any and all licences, leases or other forms of mineral tenure held or acquired by or on behalf of the Payor and which are contiguous to or within ten (10) kilometres of the external perimeter of the Property (as same currently exists or as may be expanded from time to time in accordance with terms hereof) shall be included in and form part of the Property hereof and, accordingly, shall be subject to the Royalty provided for in Section 2.1 hereof.
- 1.4 The Payor shall have a right of first refusal on any sale, transfer, mortgage or grant of security interest or any other disposition or encumbrance whatsoever in the Royalty, in whole or in part, by the Payee, at any time or from time to time. The Payee shall give notice (a “**Notice**”) of such proposed transaction (including a copy of the agreement in respect thereof) to the Payor and the Payor shall have the right at any time for a period of sixty (60) days from delivery of such Notice of a proposed sale, transfer, mortgage, grant of security interest, disposition or encumbrance (which Notice, to be effective, must include a copy of the agreement in respect thereof setting out all material terms) to elect to exercise its right and, if so exercised, a period of thirty (30) days after the date of the Payor’s notice making its election, to complete such transaction. In the event that the Payor does not exercise such right or exercises the right but does not complete the transaction within the prescribed periods set out herein, the Payee shall have the right to complete the subject transaction with the third party referred to in the Notice and to do so at any time within a period of seventy five (75) days after (i) expiry of the 60-day period following the Notice if the Payor does not exercise its right of first refusal or (ii) expiry of 90 days after the Notice if the Payor exercises its right of first refusal but does not complete such purchase within such 90-day period; provided, however, that in the event that the Payee does not complete such transaction within said 75-day period, the Payor shall have a fresh and new right of first refusal in respect thereof; and provided further that on any such sale, transfer or disposition

(whether by the Payee or any mortgagee, encumbrancer or holder of a security interest) the purchaser or transferee must, as a condition of the right to complete such sale, transfer or disposition, sign and deliver to the Payor an agreement to be bound by the terms of this Royalty Agreement including the right of first refusal on any further sale, transfer, mortgage, grant of security interest, or other disposition or encumbrance.

7. PAYMENT OF ROYALTY

- 1.5 The Royalty shall be calculated and paid by cheque, cash, bank draft or wire transfer of immediately available funds, mailed or delivered to the Payee within 5 days after the last day of each calendar month in which sale proceeds are received in respect of Minerals shipped from the Property (or a concentrating or other processing location owned or operated by the Payor).
- 1.6 In the event that final amounts required for the calculation of the Royalty are not available within the time period referred to in Section 3.1 hereof, then estimated amounts shall be established, the Royalty shall be paid on the basis of such estimated amounts and positive or negative adjustments shall be made to the payment in the succeeding calendar month, as necessary.

8. SALES OF MINERALS

- 1.7 The Payor may, but is not obligated to, undertake crushing, separating, milling or reduction or otherwise process and upgrade or concentrate Minerals at the Property (or a concentrating or other processing location owned or operated by the Payor) prior to shipping or sale, transfer or conveyance to a purchaser. The Payor shall not be liable for mineral values lost in such processing under sound mining, milling, metallurgical and processing practices at the Property (or a concentrating or other processing location owned or operated by the Payor).
- 1.8 The Payor shall not dispose of Minerals except by way of sale to an arm's length third party for either (a) cash proceeds equal to the fair market value thereof at the time of sale or (b) cash proceeds payable pursuant to futures or other forward hedging transactions.
- 1.9 All Minerals for which a Royalty is payable shall be weighed or measured, sampled and analyzed in accordance with sound mining, milling, metallurgical and processing practices. After such measurement, the Payor or the purchaser may mix or commingle such ores, materials or products with ores, materials or products from other properties or sources.

9. BOOKS; RECORDS; INSPECTIONS

- 1.10 The Payor will keep true and accurate books and records of all of its operations and activities with respect to the Property (and any concentrating or processing facilities of the Payor) and the Minerals thereof, prepared on an accrual basis in accordance with Canadian generally accepted accounting principles, consistently applied. The Payee may, from time to time, perform audits or other examinations of all of the books and

records of the Payor related thereto to confirm the calculation of the Royalty and compliance with the terms of this Agreement. The reasonable expenses of any audit or other examination by the Payee permitted hereunder shall be paid by the Payee, unless the results of such audit or other examination permitted hereunder disclose a deficiency in respect of the Royalty payments paid to the Payee hereunder greater than two percent (2%) for any calendar year, in which event the costs of such audit or other examination shall be paid by the Payor.

- 1.11 Without limiting Section 5.1 hereof, on not less than five Business Days' notice to the Payor, the Payee or its authorized agents or representatives may, under the direction and control of the Payor, enter upon all surface and subsurface portions of the Property (and any concentrating or processing facilities of the Payor) for the purpose of inspecting the Property (and any concentrating or processing facilities of the Payor), all improvements thereto and operations thereon, and enter any or all offices of the Payor and review and inspect all production records and data pertaining to all production activities and operations on or with respect to the Property (and any concentrating or processing facilities of the Payor), including, without limitation, records and data that are electronically maintained, and take excerpts therefrom and copies thereof for the purposes of verifying the calculations and determination of the Royalty payable hereunder.
- 1.12 Within 90 days following the end of each calendar year, the Payor will provide the Payee with an annual report of Minerals mined and processed from the Property and shipped from the Property (or a concentrating or other processing location) during such calendar year and a reconciliation of the amount of the Royalty payable in respect of such calendar year and the amount of such Royalty paid in respect of such calendar year. The amount of any differential between the amount payable and the amount paid in respect of such calendar year: (i) if determined to be an overpayment shall be immediately repaid by the Payee to the Payor or, at the election of the Payor, may be deducted from the next ensuing monthly payment(s) of the Royalty hereunder and (ii) if determined to be an underpayment shall be immediately paid by the Payor to the Payee concurrently with the next ensuing monthly payment of the Royalty hereunder.

10. STOCKPILING AND COMMINGLING

- 1.13 The Payor may stockpile and commingle Minerals mined and processed from the Property with other Minerals, ores, concentrates or other products not mined and processed from the Property. The Payor shall, prior to such stockpiling or commingling, measure, weigh and analyze samples of such commingled materials in accordance with sound mining, milling, metallurgical and processing practices and the Payor shall keep accurate records as a basis for computing any Royalty payments. In determining which commingled materials are sold from a commingled stockpile, a first-in, first-out system shall be used.

11. TAILINGS, WASTE AND OTHER MINERALS

- 1.14 All tailings or waste material shall be the property of the Payor and the Payor shall have no obligation to process or extract substances therefrom. If the Payor elects to extract from such tailings or waste material any type of Minerals and utilizes or sells the same, the Payee shall receive the Royalty from commercial production of such Minerals.

12. CONDUCT OF OPERATIONS

- 1.15 All decisions concerning methods, the extent, times, procedures and techniques of any exploration, development, mining, leaching, milling, processing, extraction treatment, if any, and the materials to be introduced into the Property or produced therefrom, and all decisions concerning the sale or other disposition of Minerals (including, without limitation, decisions as to buyers, times of sale, whether to store or stockpile Minerals for a reasonable length of time without selling the same and whether to sell futures or otherwise engage in forward hedging transactions) shall be made by the Payor, acting reasonably and in accordance with good mining, engineering and financial practices in the circumstances. The Payor shall not be held accountable for any losses incurred or reduced sale prices received in respect of Minerals so stored, stockpiled or sold pursuant to futures contracts or forward hedging transactions in good faith.

13. MAINTENANCE OF PROPERTY

- 1.16 The Payor shall do all things and make all payments necessary or appropriate to maintain the right, title and interest of the Payor in the Property and the Minerals and to maintain the Property in good standing. The Payor shall be entitled, from time to time, to abandon or surrender or allow to lapse or expire any part or parts of any mineral claims or mining leases relating to or comprising the Property if the Payor determines, acting reasonably, that such part or parts are not economically viable or otherwise have insufficient value to warrant continued maintenance.
- 1.17 Notwithstanding Section 9.1 hereof, the Payor shall not knowingly abandon or surrender, or allow to lapse or expire, any mining claims or leases relating to or comprising the Property for the purpose of permitting any third party to restake such claim and avoid the Royalty; and if the Payor, or any person with which the Payor does not deal at arm's length or any joint venturer, restakes any expired claims or leases relating to or comprising the Property, this Agreement shall include any such new claims and the Royalty shall be payable in respect of any Minerals produced therefrom.
- 1.18 The Payor will not sell, assign or transfer the Property or any right, title or interest that it now has or may hereafter have therein, in whole or in part, to any person, firm or corporation, or agree to do so or grant any person, firm or corporation an option or right to acquire the Property or any right, title or interest that it now has or may hereafter have therein, in whole or in part, unless the intended transferee assumes the obligations of this Agreement and the obligations of the Payor hereunder as if a named party in the first instance.

14. TERM

- 1.19 This Agreement shall continue for so long as there are Minerals on the Property which are or, in the future may, in the opinion of the Payor, be of economic value. If any right, power or interest of either party under this Agreement would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of 20 years after the death of the last survivor of all of the lineal descendants of Her Majesty, Queen Elizabeth II of England [or other current monarch of England living on the date of this Agreement], living on the date of this Agreement.

15. REPRESENTATIONS AND WARRANTIES

- 1.20 The Payor represents and warrants to the Payee as follows:

- (a) The Payor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation;
- (b) The Payor has all necessary corporate power and authority to enter into and perform its obligations under this Agreement and to own the Property and to carry on its business as now conducted;
- (c) Neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated herein nor compliance with the terms, conditions and provisions of this Agreement will conflict with or result in a breach of any terms, conditions or provisions of the Payor's charter documents or by-laws, any law, rule or regulation having the force of law, any contractual restrictions that are binding upon it or the Property, or any writ, judgement, injunction, determination or award that is binding upon it;
- (d) The execution and delivery of this Agreement and the consummation by the Payor of the transactions contemplated herein have been duly authorized by all necessary corporate action, and all necessary third party consents have been obtained; and
- (e) This Agreement has been duly executed and delivered by the Payor and constitutes a legal, valid and binding obligation, enforceable against it by the Payee in accordance with its terms.

- 1.21 The Payee represents and warrants to the Payor that:

- (a) The Payee is a corporation duly incorporated, organized, validly existing and in good standing under the laws of its jurisdiction of incorporation;
- (b) The execution and delivery of this Agreement and the consummation by the Payee of the transactions contemplated herein have been duly authorized by all necessary corporate action on the part of the Payee; and

- (c) This Agreement has been duly executed and delivered by the Payee and constitutes a legal, valid and binding obligation, enforceable against it by the Payor in accordance with its terms.

16. GENERAL PROVISIONS

1.22 Royalty as an Interest in the Land; Registration of Interest

It is the express intention of the parties hereto that the Royalty provided for hereunder shall constitute an interest in the Property, shall run with the Property and shall survive the bankruptcy, receivership, restructuring or other reorganization of the Payor under bankruptcy, insolvency or other applicable laws. The Payee shall have the right from time to time to register or record notice of this Agreement and the Royalty, any other documents relating to or contemplated by the foregoing and any caution or other title document, against title to the Property or elsewhere, and the Payor shall cooperate with all such registrations and recordings and provide its written consent or signature to any documents and do such other things from time to time as are necessary or desirable to effect all such registrations or recordings or otherwise to protect the interests of the Payee hereunder.

1.23 Time

Time is of the essence of this Agreement and each of the terms and conditions of this Agreement.

1.24 Notices

Any notices to be given to one party by the other may be sent by telecopy or may be personally delivered addressed as follows:

- (a) To the Payor:

Attention: _____

Email: _____

Fax: (____) _____

and

- (b) To the Payee

Attention: _____

Email: _____

Fax: (____) _____

or at such other address as any party hereto may from time to time designate by written notice to the other parties hereto and any such notice shall be deemed to have been given and received by the party to which it is addressed on delivery if delivered and on the day following transmission if telecopied.

1.25 Severability

If any one or more of the provisions of this Agreement are held to be illegal, invalid or unenforceable for any reason, then such illegality, invalidity or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision or provisions had never been contained herein.

1.26 Public Announcements

The parties hereto shall consult with each other before issuing any press release or making any public announcement with respect to the transactions contemplated by this Agreement and, except to the extent required by any applicable law or regulatory requirement, neither party will issue any such press release or make any such public announcement without the prior written consent of the other party, which consent will not be unreasonably withheld, conditioned or delayed; provided that no party shall be in breach of this Agreement for failure to obtain any such consent before issuing any such press release or public announcement if such press release or public announcement is released in order to comply with such party's continuous disclosure obligations under applicable securities laws. Each party will review and may provide comments on any such press release or other public announcement mentioning another party hereto proposed to be made by another party promptly after receipt.

1.27 Governing Law

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario.

1.28 Binding Effect

All covenants, conditions and terms of this Agreement shall be of benefit to and run as a covenant with the Property and shall bind and enure to the benefit of the parties hereto and their respective successors and assigns.

1.29 Language

The parties have agreed that this Agreement be drafted in the English language. Les parties ont convenu que ce contrat soit rédigée en langue anglaise.

IN WITNESS WHEREOF this Agreement has been executed as of the day and year first above written.

ROCKEX MINING CORPORATION

Per: _____

**DIVERSIFIED INNOVATIVE MARKETING
ENTERPRISES LTD.**

Per: _____

SCHEDULE A to EXHIBIT D
(List of Claims, etc.)