

WARRANT INDENTURE

**Providing for the Issue of
Common Share Purchase Warrants**

between

CUORO RESOURCES CORP.

- and -

VALIANT TRUST COMPANY

dated as of May 31, 2011

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Schedule A: Warrant Certificate

Schedule B: Form of Declaration for Removal of Legend

THIS WARRANT INDENTURE is made as of the 31st day of May, 2011, between:

CUORO RESOURCES CORP. a corporation incorporated under the laws of British Columbia (the “**Corporation**”)

- and -

VALIANT TRUST COMPANY, a trust company existing under the laws of Canada (the “**Warrant Agent**”).

WHEREAS:

- A. the Corporation is proposing to issue Warrants in the manner herein set forth;
- B. for such purpose, the Corporation is duly authorized to create and issue the Warrants constituted and issued in the manner hereinafter provided; and
- C. all acts and deeds necessary have been done and performed to make the Warrants, when issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture.

The foregoing statements of fact and recitals are made by the Corporation and not the Warrant Agent.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as set forth below.

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto, unless the context otherwise requires, the following terms have the meanings set forth below.

“**1933 Act**” means the United States Securities Act of 1933, as amended;

“**Accelerated Expiry**” has the meaning set forth in section 3.5;

“**Acceleration Notice**” has the meaning set forth in section 3.5;

“**Authenticated**” means (a) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized officer of the Warrant Agent, (b) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Article 2 are entered in the register of holders of Warrants. “Authenticate”, “Authenticating” and “Authentication” have the appropriate correlative meanings;

“**Applicable Legislation**” means the provisions of the Business Corporations Act (British Columbia), as from time to time amended, and any statute of Canada or a province thereof, and the regulations under any such named or other statute, relating to warrant indentures or to the rights, duties and obligations of warrant agents and of corporations under warrant indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

“**Auditor**” means a firm of chartered accountants duly appointed as auditor of the Corporation;

“**Book Entry Only Participants**” means institutions that participate directly or indirectly in the Depository’s book entry registration system for the Warrants;

“**Book Entry Only Warrants**” means Warrants that are to be held only by or on behalf of the Depository;

“**Business Day**” means a day which is not a Saturday, Sunday or legal holiday in the City of Vancouver, British Columbia;

“**CDS Global Warrants**” means Warrants representing all or a portion of the aggregate number of Warrants issued in the name of the Depository represented by an Uncertificated Warrant, or if requested by the Depository or the Corporation, by a Warrant Certificate;

“**Certificated Warrant**” means a Warrant evidenced by a writing or writings substantially in the form of Schedule “A”, attached hereto;

“**Common Shares**” means fully paid and non-assessable common shares in the capital of the Corporation as presently constituted, provided that in the event of any adjustment pursuant to Article 4 shall thereafter mean the shares or other securities or property resulting from such adjustment;

“**Counsel**” means a barrister or solicitor or a firm of barristers and solicitors retained by the Warrant Agent or the Corporation (and acceptable to the Warrant Agent);

“**Current Market Price**” has the meaning ascribed thereto in subsection 4.2(d);

“**Depository**” means CDS Clearing and Depository Services Inc. or such other Person as is designated in writing by the Corporation to act as depository in respect of the Warrants;

“**Director**” means a director of the Corporation for the time being and, unless otherwise specified herein, reference to action “**by the Directors**” means action by the directors of the Corporation as a board or, whenever duly empowered, action by any committee of such board;

“**Dividend paid in the ordinary course**” means dividends, whether in cash or in shares of the capital stock of the Corporation, paid in any fiscal year of the Corporation to the extent that the aggregate of such cash or the amount determined by the Directors to be the fair market value of such shares does not in such fiscal year exceed the greater of 100% of the:

- (a) aggregate amount of dividends paid by the Corporation on the Common Shares in the period of 12 consecutive months ended immediately prior to the first day of such fiscal year; and
- (b) consolidated net earnings of the Corporation, before extraordinary items, for the period of 12 consecutive months ended immediately prior to the first day of such fiscal year (such consolidated net earnings to be as shown in the audited consolidated financial statements of the Corporation for such period of 12 consecutive months or, if there are no audited consolidated financial statements in respect of such period, computed in accordance with generally accepted accounting principles in Canada consistent with those applied in the preparation of the most recent consolidated audited financial statements of the Corporation);

“**Effective Date**” means May 31, 2011;

“**Exchange**” means the TSX Venture Exchange or other stock exchange on which the Common Shares are listed;

“**Exercise Date**” means, with respect to any Warrant, the date on which the Warrant Certificate representing such Warrant is surrendered for exercise in accordance with the provisions of Article 3;

“**Exercise Price**” means \$2.50 per Common Share subject to any adjustment pursuant to Article 4;

“**Expiry Date**” means the earlier of:

- (a) May 31, 2013; and
- (b) the Accelerated Expiry Date;

“**Expiry Time**” means 5:00 p.m. (Vancouver time) on the Expiry Date;

“**Extraordinary Resolution**” shall have the meaning ascribed to such term in subsection 7.11(a);

“**Indenture**” means this warrant indenture, as amended from time to time after the date hereof in the manner herein provided. The terms “**herein**”, “**hereto**”, “**hereof**”, “**hereunder**”, “**hereby**” and similar terms mean and refer to this Indenture and not, unless a particular provision is expressly stipulated, to any particular provision, and the terms “**Article**”, “**section**”, “**subsection**”, “**paragraph**” and “**Schedule**” followed by a letter, number or character or a combination thereof mean and refer to the specified Article, section, subsection or paragraph of, or Schedule to, this Indenture;

“**Internal Procedures**” means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Warrant Agent’s internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent;

“**MI 11-102**” means Multilateral Instrument 11-102 – Passport System;

“**NP 11-202**” means National Policy 11-202 – Process for Prospectus Reviews in Multiple Jurisdictions;

“**Person**” means an individual, sole proprietorship, body corporate, partnership, limited partnership, limited liability partnership, firm, entity, limited liability company, unlimited liability company, trust, trustee, executor, administrator, legal representative, unincorporated organization, unincorporated syndicate, unincorporated association, or governmental, regulatory or court authority;

“**Prospectus**” means the final prospectus, and any amendment thereto, to be filed with the Securities Commissions in each of the Selling Jurisdictions in respect of the distribution of Special Warrant Shares and Purchase Warrants upon the exercise of the Special Warrants;

“**Qualification Date**” means the date on which a Receipt for the Prospectus has been obtained by the Corporation

“**Receipt**” means a receipt for the Prospectus issued (or deemed to be issued) by the Securities Commissions in accordance with MI 11-102 and NP 11-202

“**Securities Commissions**” means the securities commissions or similar regulatory authorities in the Selling Jurisdictions

“**Selling Jurisdictions**” means each of the provinces (except for and excluding the province of Quebec) in which sales of Special Warrants have been made and where the Corporation was required to file a Prospectus pursuant to the terms of the Underwriting Agreement to qualify the distribution of the Special Warrant Units;

“**Shareholder**” means a holder of record of one or more Common Shares;

“**Special Warrants**” means the special warrants created, issued and certified pursuant to the Special Warrant Indenture entitling the holders thereof to acquire Special Warrant Units;

“**Special Warrant Indenture**” means the indenture entered into effective May 31, 2011 between the Corporation and Valiant Trust Company governing the Special Warrants;

“**Special Warrant Units**” means the units of the Corporation issuable upon the exercise or deemed exercise of Special Warrants consisting of one (1) Common Share and one-half of one (0.5) Warrant;

“**Subsidiary**” has the same meaning as set out in National Instrument 45-106 – Prospectus and Registration Exemptions;

“**Successor Corporation**” shall have the meaning ascribed to such term in section 8.3;

“**Regulation S**” means Regulation S promulgated under the 1933 Act;

“**Trading Day**” means a day on which the Exchange is open for the transaction of business;

“**U.S. Person**” means a U.S. person as that term is defined in Regulation S;

“**United States**” means the United States as that term is defined in Regulation S;

“**Warrant Agent**” means Valiant Trust Company or its successor from time to time under this Indenture;

“**Warrant Certificate**” means a certificate issued on or after the Effective Date to evidence Warrants;

“**Warrantholders**” or “**holders**” means the Persons who, on and after the Effective Date, are registered owners of Warrant Certificates;

“**Warrantholders' Request**” means an instrument, signed in one or more counterparts by Warrantholders holding in the aggregate not less than 25% of all Warrants then unexercised and outstanding, requesting that the Warrant Agent take some action or proceeding specified therein;

“**Warrants**” means the common share purchase warrants of the Company issued and certified hereunder and for the time being outstanding, each whole Warrant being exercisable into one previously unissued Common Share upon due exercise and payment of the Exercise Price;

“**written order of the Corporation**”, “**written request of the Corporation**”, “**written consent of the Corporation**” and “**certificate of the Corporation**” mean, respectively, a written order, request, consent or certificate signed in the name of the Corporation by one of its chairman, president, a vice-president or chief financial officer and may consist of one or more instruments so executed;

“**Uncertificated Warrant**” means any Warrant which is not a Certificated Warrant;

“**Underwriters**” means collectively, Canaccord Genuity Corp. and Scotia Capital Inc.; and

“**Underwriting Agreement**” means the underwriting agreement entered into effective May 31, 2011 between the Corporation and the Underwriters.

1.2 Gender, Number and Parties

Unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include both genders and the neuter. Unless the context otherwise requires, any reference to a “**party**” herein is a reference to a party hereto.

1.3 Interpretation not Affected by Division or Headings

The division of this Indenture into Articles, sections, subsections, paragraphs and Schedules, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or any part hereof.

1.4 Day not a Business Day

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day.

1.5 Time of the Essence

Time shall be of the essence of this Indenture.

1.6 Applicable Law

This Indenture and the Warrant Certificates shall be construed in accordance with the laws of the Province of British Columbia and the federal laws applicable therein and shall be treated in all respects as British Columbia contracts.

1.7 Attornment

The parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of British Columbia for any actions, suits or proceedings arising out of or relating to this Indenture or the matters contemplated hereby (and agree to not commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of the parties set forth in this Indenture shall be effective service of process for any action, suit or proceeding brought against either party in such court. The parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Indenture or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree to not plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

1.8 Currency

All references to currency herein are references to Canadian currency.

1.9 Schedules

The following is a list of the designated letter and reference names of the Schedules attached to and forming part of this Indenture:

- (a) Schedule A – Warrant Certificate; and
- (b) Schedule B – Form of Declaration for Removal of Legend

ARTICLE 2 ISSUE OF WARRANTS

2.1 Creation and Issue of Warrants

A maximum of 3,679,500 Warrants, each whole Warrant entitling the holder thereof to purchase one Common Share subject to adjustment in accordance with Article 4, are hereby created and authorized to be issued in accordance

with the written order of the Corporation. Such written order to specify which Warrant Certificates to be legended in accordance with Section 2.2. Registration of interests in Warrants held by the Depository may be evidenced by a position appearing on the register for Warrants of the Warrant Agent for an amount representing the aggregate number of such Warrants outstanding from time to time.

2.2 Form and Terms of Warrants

(a) The Warrants may be issued in both certificated and uncertificated form. All Warrants issued in certificated form shall be evidenced by the Warrant Certificates (including all replacements issued in accordance with this Indenture), substantially in the form set out in Schedule “A” hereto, which shall be dated as of the Effective Date, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions. All Warrants issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with section 2.3.

(b) The Warrant Certificates (including all replacements issued in accordance with this Indenture) shall be issued in registered form and shall be substantially in the form set out in Schedule A, with such additions, variations and deletions as may be permitted by the provisions of this Indenture, numbered in such manner as the Corporation with the approval of the Warrant Agent may prescribe and shall be issuable in any denomination. All Warrant Certificates shall be dated the date of issue hereof (regardless of the actual date of issue) and shall, save as to denominations, be of like tenor and effect.

(c) The Warrant Agent acknowledges that none of the Warrants or Common Shares to be issued upon exercise of the Warrants have been registered under the 1933 Act or any state securities laws.

(d) If the transferee of a Warrant or the holder of a Common Share issued upon the exercise of a Warrant is in the United States, each Warrant Certificate and each certificate representing Common Shares issued upon the exercise of the Warrants (and each Warrant Certificate and Common Share certificate issued in exchange therefor or in substitution on transfer thereof) shall bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF CUORO RESOURCES CORP. THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO CUORO RESOURCES CORP., (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE 1933 ACT (C) IN ACCORDANCE WITH RULE 144A UNDER THE 1933 ACT, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AFTER, IN THE CASE OF TRANSFERS UNDER CLAUSE D, THE HOLDER HAS FURNISHED TO CUORO RESOURCES CORP. AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO CUORO RESOURCES CORP. TO SUCH EFFECT.

(e) provided, that if the Warrants or the Common Shares issuable under the Warrants are being sold in compliance with the requirements of Rule 904 of Regulation S, the above legend may be removed by providing a declaration to the Warrant Agent, to the effect set forth in Schedule “B” hereto (or as the Corporation may prescribe from time to time);

(f) provided further, that, if any of the Warrants or the Common Shares issuable under the Warrants are being sold pursuant to Rule 144(b)(1) of the 1933 Act, the legend may be removed by delivery to the Warrant Agent of an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the 1933 Act or state securities laws and the Corporation shall use its reasonable best efforts to cause the Warrant

Agent to remove the foregoing legend within three (3) Business Days of receipt of the foregoing and approval by the Corporation to do so.

(g) In addition, any certificates representing Common Shares issued upon exercise of the Warrants bearing the legend indicated in subsection 2.2(d) may also be overprinted with the following legend: DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

(h) Subject to subsection 2.3, the Warrant Certificates and the Warrants represented thereby shall be registered, together with the name and address of the registered holder thereof in the warrant register (the “**Warrant Register**”) maintained by the Warrant Agent.

(i) Each whole Warrant issued hereunder shall, subject to Article 4, entitle the holder thereof to purchase one Common Share at any time after the Effective Date until the Expiry Time. The price at which Common Shares may be purchased upon the exercise of the Warrants shall be the Exercise Price.

(j) No fractional Warrants shall be issued hereunder and any fractional Warrants will be rounded down to the nearest whole Warrant.

2.3 Book Entry Only Warrants

(a) Notwithstanding any other provision in this Indenture, reregistration of beneficial interests in and transfers of Warrants held by the Depository shall be made only through the book entry registration system and no Warrant Certificates shall be issued in respect of such Warrants except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by a Depository, as determined by the Corporation, from time to time. Except as provided in this section 2.3, owners of beneficial interests in any CDS Global Warrants shall not be entitled to have Warrants registered in their names and shall not receive or be entitled to receive Warrants in definitive form or to have their names appear in the register referred to in section 2.12 herein. Notwithstanding any terms set out herein, Warrants having the legend set forth in section 2.2 herein may not be held in the name of the Depository or in the form of Uncertificated Warrants.

(b) Notwithstanding any other provision in this Indenture, no CDS Global Warrants may be exchanged in whole or in part for Warrants registered, and no transfer of CDS Global Warrants in whole or in part may be registered, in the name of any Person other than the Depository for such CDS Global Warrants or a nominee thereof unless:

(i) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Book Entry Only Warrants and the Corporation is unable to locate a qualified successor;

(ii) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Warrants and the Corporation is unable to locate a qualified successor;

(iii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;

(iv) the Corporation determines that the Warrants shall no longer be held as Book Entry Only Warrants through the Depository;

(v) such right is required by Applicable Law, as determined by the Corporation and the Corporation’s Counsel; or

(vi) the Warrant is to be Authenticated to or for the account or benefit of a person in the United States or a U.S. Person (in which case, the Warrant Certificate shall contain the legend set forth in section 2.2, if applicable);

following which Warrants for those holders requesting such shall be issued to the beneficial owners of such Warrants or their nominees as directed by the holder. The Corporation shall provide an Officer's Certificate giving notice to the Warrant Agent of the occurrence of any event outlined in this section 2.3(b).

(c) Notwithstanding any other provision in this Indenture but subject to the provisions of this Section 2.3, any exchange of CDS Global Warrants for Warrants which are not CDS Global Warrants may be made in whole or in part in accordance with the provisions of section 2.9, mutatis mutandis. All such Warrants issued in exchange for a CDS Global Warrant or any portion thereof shall be registered in such names as the Depository for such CDS Global Warrants shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Global Warrants or to any legend required by section 2.2 and the restrictions set out in such legend) as the CDS Global Warrants or portion thereof surrendered upon such exchange.

(d) Notwithstanding any other provision in this Indenture, every Warrant Authenticated upon registration of transfer of a CDS Global Warrant, or in exchange for or in lieu of a CDS Global Warrant or any portion thereof, whether pursuant to this section 2.3, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Warrant, unless such Warrant is registered in the name of a person other than the Depository for such CDS Global Warrant or a nominee thereof.

(e) Notwithstanding any other provision in this Indenture,, subject to Applicable Law, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.

(f) Notwithstanding any other provision in this Indenture, the rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system shall be limited to those established by applicable law and agreements between the Depository and the Book Entry Only Participants and between such Book Entry Only Participants and the beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system, and such rights must be exercised through a Book Entry Only Participant in accordance with the rules and procedures of the Depository.

(g) Notwithstanding any other provision in this Indenture, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:

(i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Warrants or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the book entry registration system (other than the Depository or its nominee);

(ii) for maintaining, supervising or reviewing any records of the Depository or any Book Entry Only Participant relating to any such interest; or

(iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Only Participant.

2.4 Warrantholder not a Shareholder

A Warrantholder shall not, as such, be deemed to be, or be considered as, a Shareholder nor shall such Warrantholder be entitled to any right or interest except as expressly provided for in this Indenture.

2.5 Warrants to Rank Pari Passu

All Warrants shall rank pari passu, whatever may be the actual date of issue thereof.

2.6 Signing of Warrant Certificates

The Warrant Certificates shall be signed (with or without the seal of the Corporation) by any one Director or officer of the Corporation. The signature of such Director or officer may be mechanically reproduced in facsimile and Warrant Certificates bearing such facsimile signatures shall be binding upon the Corporation as if they had been manually signed by such Director or officer. Notwithstanding that any person whose manual or facsimile signature appears on any Warrant Certificate as a Director or officer may no longer hold office at the date of such Warrant Certificate or at the date of certification or delivery thereof, any Warrant Certificate signed as aforesaid shall, subject to section 2.7, be valid and binding upon the Corporation and the holder thereof shall be entitled to the benefits of this Indenture.

2.7 Countersignature by the Warrant Agent

(a) No Warrant Certificate shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefit hereof, until it has been countersigned by manual signature by or on behalf of the Warrant Agent and such countersignature by the Warrant Agent upon any Warrant Certificate shall be conclusive evidence as against the Corporation that the Warrant Certificate so countersigned has been duly issued hereunder and that the holder is entitled to the benefits of this Indenture.

(b) The countersignature of the Warrant Agent on Warrant Certificates issued hereunder shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or the Warrant Certificates (except the due certification thereof) and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrant Certificates, or any of them, or of the consideration therefore except as otherwise specified herein.

2.8 Issue in Substitution for Warrant Certificates Lost, etc.

(a) In case any of the Warrant Certificates shall become mutilated or be lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue, and thereupon the Warrant Agent shall countersign and deliver, a new Warrant Certificate of like tenor to the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substituted Warrant Certificate shall be in a form approved by the Corporation and Warrant Agent and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally with all other Warrants issued or to be issued hereunder.

(b) The applicant for the issue of a new Warrant Certificate pursuant to this section 2.8 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent in their sole discretion, and such applicant may also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Warrant Agent in their sole discretion, acting reasonably, and shall pay the reasonable charges of the Warrant Agent in connection therewith.

2.9 Exchange of Warrant Certificates

(a) Warrant Certificates representing any number of Warrants may, on compliance with the reasonable requirements of the Warrant Agent and subject to subsection 2.2(j), be exchanged for another Warrant Certificate or Warrant Certificates representing the same aggregate number of Warrants as represented by the Warrant Certificate or Warrant Certificates so exchanged.

(b) Warrant Certificates may be exchanged only at the office of the Warrant Agent or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate tendered for exchange shall be surrendered to and cancelled by the Warrant Agent.

2.10 Charges for Exchange or Transfer

Except as otherwise herein provided, the Warrant Agent may charge to the holder requesting an exchange or transfer of a Warrant Certificate or Warrant Certificates, a reasonable sum for each new Warrant Certificate issued in exchange for or upon transfer of such Warrant Certificate or Warrant Certificates, and payment of such charges and reimbursement of the Warrant Agent and the Corporation for any and all taxes or governmental or other charges required to be paid shall be made by such holder as a condition precedent to such exchange or transfer.

2.11 Transfer and Ownership of Warrants

(a) The Warrants may only be transferred on the Warrant Register kept by the Warrant Agent at its principal office in Vancouver, British Columbia by the holder, or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent only upon delivering to the Warrant Agent a signed transfer form, in substantially the form attached to the Warrant Certificate, completed and executed in a manner acceptable to the Warrant Agent, surrendering to the Warrant Agent the Warrant Certificates representing the Warrants to be transferred and upon compliance with:

- (i) the conditions herein;
- (ii) such reasonable requirements as the Warrant Agent may prescribe; and
- (iii) all applicable securities legislation and requirements of regulatory authorities;

and such transfer shall be duly noted thereon by the Warrant Agent.

(b) Upon compliance with the requirements set forth in subsection 2.11(a), the Warrant Agent shall issue to the transferee a Warrant Certificate representing the Warrants transferred. The Warrant Agent shall mail or deliver the transferee's Warrant Certificate to the address indicated on the transfer form referred to in subsection 2.11(a), or if no address is indicated, the Warrant Agent shall hold such certificate for pickup at its principal office in Vancouver, British Columbia. The Corporation and the Warrant Agent will deem and treat the registered owner of any Warrant as the absolute owner thereof for all purposes and neither the Corporation nor the Warrant Agent shall be affected by any notice to the contrary except by statute or by order of a court of competent jurisdiction. Subject to the provisions of this Indenture and applicable law, the Warrantholder shall be entitled to the rights and privileges attaching to the Warrants, and the issue of Common Shares by the Corporation, upon the exercise of Warrants by any Warrantholder in accordance with the terms and conditions herein contained, shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.

2.12 Register for Warrants

(a) The Corporation shall cause to be kept by and at the principal office of the Warrant Agent in Vancouver, British Columbia, the Warrant Register in which shall be entered, with respect to the Warrants:

- (i) the names and addresses of holders of Warrants;
- (ii) the numbers of all outstanding Warrant Certificates, including the date and place of issuance;

(iii) the numbers of all Warrant Certificates exchanged or exercised, including the date and place of exchange or exercise; and

(iv) such other information as the Warrant Agent, in its discretion, deems necessary or advisable and the other particulars, prescribed by law.

(b) The Warrant Register referred to in subsection 2.12(a) shall be open during normal business hours for inspection by the Corporation, the Warrant Agent or any Warrantholder. The Warrant Agent shall, from time to time when requested to do so in writing by the Corporation, furnish the Corporation with a list of the names and addresses of holders of Warrants entered in the Warrant Register kept by the Warrant Agent and showing the number of and type of Common Shares which might then be acquired upon the exercise of the Warrants held by each such holder.

ARTICLE 3 EXERCISE OF WARRANTS

3.1 Method of Exercise of Warrants

(a) The right to purchase Common Shares conferred by the Warrants may be exercised by the holder of a Warrant by surrendering, after the Effective Date and prior to the Expiry Time, the Warrant Certificate representing it, together with a duly completed and executed exercise form substantially in the form set out in Appendix 1 to Schedule A, and a certified cheque, bank draft or money order payable in lawful money of Canada to or to the order of the Corporation, or such other method of payment as the Warrant Agent in its discretion may accept, in the amount of the Exercise Price for each Common Share subscribed for, to the Warrant Agent. The Warrant Certificate, the aforementioned exercise form and the aggregate Exercise Price shall be deemed to be duly surrendered pursuant to this subsection 3.1(a) only upon personal delivery thereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent.

(b) Any exercise form referred to in subsection 3.1(a) shall be signed by the Warrantholder (or its executors, administrators or other legal representatives or its or their attorney duly appointed by an instrument in writing in form and manner satisfactory to the Warrant Agent) and shall specify:

(i) the number of Common Shares which the holder wishes to purchase (being not more than those which the holder is entitled to acquire pursuant to the Warrant Certificate or Warrant Certificates surrendered);

(ii) the Person or Persons in whose name or names such Common Shares are to be issued and registered;

(iii) the address or addresses of such Persons for registration and delivery; and

(iv) the number of Common Shares to be issued to each such Person if more than one is so specified.

If any of the Common Shares subscribed for are to be issued to a Person or Persons other than the Warrantholder, the Warrantholder shall pay to the Corporation, or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes and the Corporation shall not be required to issue or deliver certificates evidencing Common Shares unless or until such Warrantholder shall have paid to the Corporation, or the Warrant Agent on behalf of the Corporation, the amount of such taxes or shall have established to the satisfaction of the Corporation that such taxes have been paid or that no taxes are due.

(c) In connection with the exchange or transfer of Warrant Certificates and exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the principal office of the Warrant Agent in Vancouver, British Columbia as the place at which Warrant

Certificates may be surrendered for exchange or transfer and at which Warrants may be exercised and the Warrant Agent has accepted such appointment. The Corporation, with the approval of the Warrant Agent, may designate another place for surrender, exchange or transfer.

3.2 Effect of Exercise of Warrants

(a) Upon compliance by the holder of any Warrant Certificate with the provisions of section 3.1, and subject to section 3.3, the Common Shares subscribed for shall be deemed to have been issued and the Person or Persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of record of such Common Shares on the Exercise Date, unless the transfer registers of the Corporation shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued, and such Person or Persons shall be deemed to have become the holder or holders of record of such Common Shares, on the date on which such transfer registers are reopened.

(b) Subject to receipt of the Warrant Certificate and a duly completed and executed exercise form referred to in section 3.1 and payment of the Exercise Price, within three Business Days after the Exercise Date of Warrants as set forth above, the Corporation shall cause to be delivered to the Person or Persons in whose name or names the Common Shares so subscribed for have been issued, as specified in such exercise form, at the address specified in such exercise form or, if so specified in such exercise form, cause to be delivered to such Person or Persons at the place where the Warrant Certificate was surrendered, a share certificate or certificates for the appropriate number of Common Shares so subscribed.

3.3 Partial Exercise of Warrants; Fractions

The Corporation will not, pursuant to section 3.1 or under any other circumstances, be obligated to issue any fraction of a Common Share upon the exercise of a Warrant or Warrants. To the extent that the holder of one or more Warrants would otherwise have been entitled to receive on the exercise or partial exercise thereof a fraction of a Common Share, that holder may exercise such right in respect of the fraction only in combination with another Warrant or Warrants that in the aggregate entitle the holder to purchase a whole number of Common Shares. If not so exercised, the Corporation shall not pay any amounts to the holder in satisfaction of the right to otherwise have received a fraction of a Common Share. Any Common Shares that are issued pursuant to the terms hereof shall be rounded down to the nearest whole number, without any compensation therefore.

3.4 Expiration of Warrants

Immediately after the Expiry Time, all rights under any Warrant to purchase Common Shares, in respect of which the right of acquisition herein and therein provided shall not have been exercised, shall cease and terminate and such Warrant shall be void and of no further force or effect, except to the extent that the Warrantholder has not received certificates representing Common Shares held by it, in which case the Warranholders' rights shall continue until it has received that to which it is entitled hereunder.

3.5 Acceleration of Expiration of Warrants

Subject to adjustment in accordance with Article 4, if, at any time after four months and one day has elapsed after the Effective Date and ending at the Expiry Time, the volume weighted average trading price of the Corporation's Common Shares on the Exchange (or such other stock exchange on which the Corporation's Common Shares are listed and where a majority of the trading volume occurs), for a period of 20 consecutive Trading Days, exceeds \$4.00, the Corporation may, within five days after such an event, provide notice (the "**Acceleration Notice**") to the holders of the Warrants of early expiry and thereafter, the Warrants will expire at the Expiry Time on the date which is 30 days from the date specified in the notice (the "Deemed Delivery Date") if such Warrants are not exercised prior to the Accelerated Expiry Time. The Deemed Delivery Date shall be the date on which deemed delivery of the Acceleration Notice to the Warranholders is made pursuant to section 10.1 hereof (the "**Accelerated Expiry Date**"). All Warrants that remain unexercised following the Accelerated Expiry Date shall immediately expire and all rights of holders of such Warrants shall be terminated without any compensation to such holder.

3.6 Cancellation of Surrendered Warrants

All Warrant Certificates surrendered pursuant to sections 2.8, 2.9, 2.11, 3.1, 3.3 and 5.1 shall be returned to the Warrant Agent for cancellation and, after the expiry of any period of retention prescribed by law, destroyed by the Warrant Agent and, upon the written request by the Corporation, the Warrant Agent shall furnish to the Corporation a destruction certificate identifying the Warrant Certificates so destroyed.

3.7 Accounting and Recording

- (a) The Warrant Agent shall promptly account to the Corporation with respect to Warrants exercised.
- (b) The Warrant Agent shall record the particulars of Warrants exercised which shall include the names and addresses of the Persons who become holders of Common Shares on exercise and the Exercise Date. Within five Business Days of each Exercise Date, the Warrant Agent shall provide such particulars in writing to the Corporation.

3.8 Securities Restrictions

- (a) **Canadian Legending Requirements:** For purposes of complying with applicable laws in Canada and National Instrument 45-102 Resale of Securities, all Warrant Certificates, as well as all certificates issued in exchange for or in substitution of the foregoing Warrant Certificates, issued on or prior to the earlier of (i) the Qualification Date, and (ii) October 1, 2011, shall bear the following legends, which legends shall remain on said certificates until compliance with the terms thereof:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE OCTOBER 1, 2011. “

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL OCTOBER 1, 2011.”

- (b) Each CDS Global Warrant originally issued in Canada and held by the Depository, and each such CDS Global Warrant issued in exchange therefore or in substitution thereof shall bear the following legend:

“UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO CUORO RESOURCES CORP. (THE “ISSUER”) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS, OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS, HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE. THIS CERTIFICATE IS ISSUED PURSUANT TO A BOOK-ENTRY ONLY SECURITIES SERVICES AGREEMENT BETWEEN THE ISSUER AND CDS, AS SUCH AGREEMENT MAY BE REPLACED OR AMENDED FROM TIME TO TIME.”

- (c) The Warrants and the Common Shares issuable upon exercise thereof have not been registered under the 1933 Act or the securities laws of any state of the United States, and the Warrants may not be

exercised within the United States or by or on behalf of any U.S. Person or person in the United States unless the Common Shares underlying the Warrants are registered under the 1933 Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available. The Warrant Agent shall not issue or register Common Shares or the certificates representing such Common Shares unless the holder has executed and delivered to the Warrant Agent an Exercise Form as attached to the Warrant Certificate indicating that:

- (i) if so requested by the Corporation, the Corporation and the Warrant Agent receive a written opinion of counsel satisfactory to them (or such other evidence satisfactory to them) that the Common Shares to be delivered upon exercise of the Warrants have been registered under the 1933 Act and the securities laws of all applicable states of the United States or are exempt from the registration thereunder; or
- (ii) the Warrant Agent receives written certification at the time of exercise of the Warrant that the Warrantholder is not in the United States, is not a U.S. Person and is not exercising the Warrant on behalf of, or for the account or benefit of a U.S. Person and did not execute or deliver the Exercise Form in the United States.

No certificates representing Common Shares will be registered or delivered to an address in the United States unless the holder of Warrants complies with the requirements set forth in subsection 3.8(c)(i) or 3.8(c)(ii) and, in the case of subsection 3.8(c)(i), the Corporation has confirmed in writing to the Warrant Agent that the opinion of counsel (or other evidence) is satisfactory to the Corporation. Any certificates representing Common Shares issued pursuant to subsection 3.8(c)(i) or 3.8(c)(ii) shall bear the legend required by subsection 2.2(d) until such time as, in the opinion of counsel to the Corporation, the legend is no longer required under applicable requirements of the 1933 Act or the applicable state securities laws.

(d) The Warrant Agent may rely solely on the Exercise Form attached to the Warrant Certificate and any materials received pursuant to this section, if applicable, in determining whether the Warrantholder has complied with all applicable securities legislation in respect of an exercise of Warrants.

ARTICLE 4 ADJUSTMENT OF SUBSCRIPTION RIGHTS

4.1 Adjustment of Number of Common Shares

The subscription rights in effect at any date attaching to the Warrants shall be subject to adjustment from time to time as set forth below.

- (a) If and whenever, at any time from the date hereof and prior to the Expiry Time, the Corporation shall:
 - (i) subdivide, redivide or change its outstanding Common Shares into a greater number of shares;
 - (ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of shares; or
 - (iii) issue Common Shares or securities convertible or exchangeable into Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend (other than a dividend paid in the ordinary course or the issue of Common Shares of securities convertible or exchangeable into Common Shares upon an exercise of the holders of the Warrants),

any Warrantholder who has not exercised its right of subscription prior to the effective date of the events referred to in (i), (ii) or (iii) above, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be purchased by him, but for the same aggregate consideration payable therefore, the number of shares or other securities or property of the Corporation resulting from such events that such Warrantholder would have been entitled to receive if the Warrantholder had been the registered holder of the number of Common Shares receivable upon the exchange of Warrants then held.

(b) If and whenever, at any time from the date hereof and prior to the Expiry Time, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in subsection 4.1(a) or a consolidation, amalgamation, plan of arrangement, business combination or merger of the Corporation with or into any other Person (other than a consideration, amalgamation, plan of arrangement, business combination or merger that do not result in any reclassification of the Common Shares or a change of Common Shares into other shares), or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other Person, any Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, plan of arrangement, business combination, merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be purchased by him, but for the same aggregate consideration payable therefor, the number of shares or other securities or property of the Corporation or of the Person resulting from such reclassification, capital reorganization, consolidation, amalgamation, plan of arrangement, business combination or merger, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, plan of arrangement, business combination, merger, sale or conveyance, if, on the record date or the effective date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Common Shares receivable upon the exchange of Warrants then held.

(c) If determined appropriate by the Warrant Agent to give effect to or to evidence the provisions of subsection 4.1(b), the Corporation, its successor, or a purchasing Person referenced under subsection 4.1(b), as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, plan of arrangement, business combination, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Warrantholder is entitled on the exercise of its acquisition rights thereafter.

(d) Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this section 4.1 shall be a supplemental indenture entered into pursuant to the provisions of Article 8. Any indenture entered into between the Corporation, any successor to the Corporation or a purchasing Person referenced under subsection 4.1(b), and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this section 4.1 and which shall apply to successive reclassifications, capital reorganizations, amalgamations, arrangements, consolidations, business combinations, mergers, sales or conveyances.

(e) The adjustments provided for in this Article 4 in the number of Common Shares and classes of securities which are to be received on the exercise of Warrants are cumulative. Provided that, notwithstanding any other provision of this section 4.1, no adjustment of the Common Shares shall be required unless the cumulative effect of such adjustment would require an increase or decrease of at least one one-hundredth of a Common Share (provided, however, that any adjustments which by reason of this subsection 4.1(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment). After any adjustment pursuant to this section 4.1, the term "Common Shares" where used in this Indenture shall be interpreted to mean shares of any class or classes, other securities or property which, as a result of such adjustment and all prior adjustments pursuant to this section 4.1, the Warrantholder is entitled to receive upon the exercise of its Warrants, and the number of Common Shares

indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of shares of any class or classes, other securities or property a Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this section 4.1, upon the full exercise of a Warrant.

4.2 Adjustment of Exercise Price

The Exercise Price in effect at any date shall be subject to adjustment from time to time as set forth below.

- (a) If and whenever at any time prior to the Expiry Time, the Corporation shall:
 - (i) subdivide, redivide or change its outstanding Common Shares into a greater number of shares;
 - (ii) reduce, combine or consolidate its outstanding Common Shares into a lesser number of shares; or
 - (iii) issue Common Shares or securities convertible or exchangeable into Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend (other than a dividend paid in the ordinary course or the issue of Common Shares of securities convertible or exchangeable into Common Shares upon an exercise of the holders of the Warrants),

then the Exercise Price shall be adjusted immediately after the effective date of the events referred to in (i), (ii) or (iii) above by multiplying the Exercise Price in effect on such effective date by a fraction of which the numerator shall be the total number of Common Shares outstanding immediately prior to such date and the denominator shall be the total number of Common Shares outstanding immediately after such date (including securities convertible or exchangeable into Common Shares issued pursuant to (iii) above, if applicable). Such adjustment shall be made successively whenever any event referred to in this subsection 4.2(a) shall occur, and any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for the stock dividend for the purpose of calculating the number of outstanding Common Shares under subsections (a) and (c) of this section. In the case of any reclassification of, or other change in, the Common Shares other than subdivision, reduction, combination or consolidation, the Exercise Price shall be adjusted in such manner, if any, and at such time, as the directors, acting in good faith, determine to be appropriate on a basis consistent with this section 4.2.

- (b) If and whenever at any time prior to the Expiry Time, the Corporation shall fix a record date for the issuance of rights, options or warrants (other than the Warrants) to all or substantially all the holders of the outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price on such record date and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible or exchangeable securities so offered are convertible or exchangeable), and Common Shares owned by or held for the account of the Corporation or any Subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, to the extent that any rights, options or warrants are not so issued or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon the number and aggregate price of Common Shares or securities convertible

into Common Shares actually issued upon the exercise of such rights, options or warrants, as the case may be.

(c) If and whenever at any time prior to the Expiry Time, the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of:

- (i) shares of any class other than Common Shares, whether of the Corporation or any other corporation (other than those referred to in paragraph 4.2(a)(iii) and shares distributed to holders of Common Shares in lieu of an equivalent cash dividend paid in the ordinary course on the Common Shares);
- (ii) rights, options or warrants (excluding rights exercisable for no more than 45 days after the record date therefor);
- (iii) evidences of its indebtedness; or
- (iv) assets (excluding a dividend paid in the ordinary course),

then, and in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the aggregate fair market value (as determined by the Directors, which determination shall be conclusive) of such shares, rights, options, warrants, evidences of indebtedness or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price, and any Common Shares owned by or held for the account of the Corporation or any Subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, and to the extent that such distribution is not so made, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon such shares, rights, options, warrants, evidences of indebtedness or assets actually distributed, as the case may be.

(d) For the purpose of any computation under subsections (b) and (c) of this section 4.2, the "Current Market Price" at any date shall be the weighted average of the closing price per share for such shares for the period of 20 consecutive Trading Days immediately prior to such date on the Exchange or, if on such date the Common Shares are not listed on the Exchange, on such stock exchange upon which such shares are listed and as selected by the directors (provided that, if on any day in such 20 day period no closing price per share for such shares is reported by such exchange for such day, the average of the reported closing bid and asked prices on such exchange on such day shall be deemed to be the closing price per share for such shares for such day), or if such shares are not listed on any stock exchange, then on such over-the-counter market as may be selected for such purpose by the directors or, if not traded on any over-the-counter market, as determined by the Directors, which determination shall be conclusive.

(e) In any case in which this section 4.2 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the holder of any Warrant exercised after such record date and before the occurrence of such event the additional Common Shares issuable upon such exercise by reason of the adjustment required by such event; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of the holders of record of Common Shares on and after the Exercise Date or such later date as such holder would, but for the provisions of this subsection 4.2(e), have become the holder of record of such additional Common Shares pursuant to section 3.2.

(f) The adjustments provided for in this section 4.2 are cumulative, shall, in the case of adjustments to the Exercise Price, be computed to the nearest one-tenth of one cent and shall apply (without duplication) to successive subdivisions, consolidations, distributions, issuances or other events resulting in any adjustment under the provisions of this section 4.2; provided that, notwithstanding any other provision of this section 4.2, no adjustment of the Exercise Price shall be required:

(i) unless the cumulative effect of such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect (provided, however, that any adjustments which by reason of this subsection 4.2(f) are not required to be made shall be carried forward and taken into account in any subsequent adjustment);

(ii) if the issue of Common Shares or the granting of the right to acquire Common Shares is being made pursuant to this Indenture; or

(iii) if the issue of Common Shares is being made pursuant to the exercise of stock options, warrants issued prior to the date of this Indenture or the Corporation's incentive stock option plan, as amended from time to time.

4.3 Entitlement to Shares on Exercise of Warrant

All shares of any class, other securities or property which a Warrantholder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be shares or securities which such Warrantholder is entitled to acquire pursuant to such Warrant.

4.4 Determination by Auditor

In the event of any question arising with respect to the adjustments provided for in this Article 4, such question shall be conclusively determined by the Auditor who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all Warrantholders and all other Persons interested therein.

If and whenever at any time during the adjustment period, the Corporation shall take any action affecting or relating to the Common Shares, other than any action described in this Article, which in the opinion of the Directors would prejudicially affect the rights of any holders of Warrants the number of Common Shares to be issued on the exercise of Warrants will, subject to the approval of the Exchange on which the Common Shares are then listed, be adjusted by the Corporation in such manners if any, and at such time, as the Directors, may in their sole discretion determine to be equitable in the circumstances.

4.5 Proceedings Prior to any Action Requiring Adjustment

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the Exercise Price and number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any corporate action which may be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue, as fully paid and non-assessable, all the Common Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

4.6 Certificate of Adjustment

The Corporation shall, from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in this Article 4, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Auditor verifying such calculation.

When so verified, the Corporation shall forthwith give notice to the Warrantholders specifying the event requiring such adjustment or readjustment and the results thereof including the resulting Exercise Price.

4.7 Protection of Warrant Agent

Notwithstanding any other provision herein, the Warrant Agent shall:

- (a) be entitled to act and rely on any adjustment calculation of the Corporation or the Auditor;
- (b) not at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by sections 4.1 or 4.2, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
- (c) not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares of any class or classes, other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Warrant;
- (d) not be responsible for any failure of the Corporation to comply with any of the covenants contained in this Article 4; and
- (e) not incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the agents or servants of the Corporation.

ARTICLE 5 RIGHTS OF THE CORPORATION AND COVENANTS

5.1 Optional Purchases by the Corporation

Subject to compliance with applicable securities legislation, the Corporation may from time to time purchase in the market, by private contract or otherwise any or all of the Warrants, provided that the holders of the Warrants to be purchased agree to sell such Warrants to the Corporation. Any such purchase may be made in such manner from such Persons and on such other terms as the Corporation, in its sole discretion, may determine. Any Warrant Certificates representing the Warrants purchased pursuant to this section 5.1 shall forthwith be delivered to and deemed cancelled, as of the date and time of such purchase, by the Warrant Agent. No Warrants shall be issued in replacement thereof.

5.2 General Covenants

The Corporation covenants with the Warrant Agent that so long as any Warrants remain outstanding:

- (a) it will reserve and keep available a sufficient number of unissued Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Warrants;
- (b) it will cause the Common Shares and the certificates representing the Common Shares from time to time purchased pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrant Certificates and the terms hereof;
- (c) all Common Shares which shall be issued upon exercise of the right to acquire provided for herein and in the Warrant Certificates, upon payment of the Exercise Price herein provided for, shall be fully paid and non-assessable;

- (d) it will use its best efforts to maintain its corporate existence and carry on its business in a proper and efficient manner;
- (e) it will use its best efforts to ensure that all Common Shares of the Corporation outstanding or issuable from time to time (including those Common Shares issuable on the exercise of the Warrants) continue to be or are listed and posted for trading on the Exchange;
- (f) it will use its best efforts to maintain its status as a reporting issuer or equivalent, and not be in default in any material respect of the applicable requirements of applicable securities laws of each of the provinces of Canada where it currently has such status;
- (g) it will perform all its covenants and carry out all acts or things to be done by it as provided in this Indenture;
- (h) it shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all other acts, deeds and assurances in law as the Warrant Agent may reasonably require for better accomplishing and effecting the intentions and provisions of this Indenture; and
- (i) it will promptly notify the Warrant Agent and the Warrantholders of any material default under this Indenture.

5.3 Warrant Agent's Remuneration and Expenses

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of its obligations hereunder (including the reasonable compensation and the disbursements of Counsel and all other advisors and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Warrant Agent's own gross negligence, wilful misconduct or fraud.

5.4 Securities Qualification Requirements

The Corporation or, if required by the Corporation, the Warrant Agent will give notice of the issue of Common Shares pursuant to the exercise of Warrants, in such detail as may be required, to each securities commission or similar regulatory authority in each jurisdiction in Canada in which there is legislation or regulation permitting or requiring the giving of any such notice of such issue of Common Shares.

5.5 Performance of Covenants by Warrant Agent

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Warrant Agent shall notify the Warrantholders of such failure on the part of the Corporation and may itself perform any of the covenants capable of being performed by it but shall be under no obligation to perform said covenants or to notify the Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in section 5.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

5.6 Notice

- (a) The Corporation covenants with the Warrant Agent that so long as any Warrants remain outstanding it will give to the Warrant Agent, and to holders of Warrants, in the manner provided in section 10.2 and in any event at least 14 days prior to the later of the record date or the effective date as the case may be of such event, notice of its intention to fix a record date for any event referred to in section 4.1 or in subsections (a), (b) or (c) of section 4.2 which may give rise to an adjustment of the Exercise Price

and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given in each case as soon as practicable after the applicable record date, or earlier if determined by the Corporation to be appropriate.

(b) The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other action which might deprive the holder of a Warrant of the opportunity of exercising the holder's right of purchase pursuant thereto during the period of 10 days after the giving of the notice required by subsection 5.6(a) or unduly restrict such opportunity.

(c) In case the Corporation, after the date hereof, shall take any action affecting the Common Shares other than action described in subsection 4.1, which in the reasonable opinion of the directors of the Corporation would materially affect the rights of Warranholders, there shall be an adjustment in such manner, if any, and at such time, by action of the directors, acting reasonably, in their sole discretion as they may determine to be equitable in the circumstances, provided that no such adjustment will be made unless prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained.

ARTICLE 6 ENFORCEMENT

6.1 Suits by Warranholders

All or any of the rights conferred upon any Warranholder by any of the terms of the Warrant Certificate or of this Indenture, or of both, may be enforced by the Warranholder by appropriate proceedings, but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Warranholders.

6.2 Immunity of Shareholders, etc.

The Warrant Agent and, by the acceptance of the Warrant Certificates and as part of the consideration for the issue of the Warrants, the Warranholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, director, officer, employee or agent of the Corporation or of any Successor Corporation for the issue of the Common Shares pursuant to any Warrant or on any covenant, agreement, representation or warranty by the Corporation herein or contained in the Warrant Certificates.

6.3 Limitation of Liability

The obligations hereunder are not personally binding upon, nor shall resort hereunder be had to, the private property of any of the past, present or future directors or shareholders of the Corporation or of any successor to the Corporation or any of the past, present or future officers, employees or agents of the Corporation or of any Successor Corporation, but only the property of the Corporation or any Successor Corporation shall be bound in respect hereof.

6.4 Waiver of Default

Upon the happening of any default hereunder:

(a) the Corporation shall provide a notice as provided in section 10.2 to Warranholders setting out, in reasonable detail, the particulars of such default;

(b) the holders of not less than 50.1% of the Warrants then outstanding shall have power (in addition to the powers exercisable by Extraordinary Resolution as provided in section 7.10) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or

(c) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable if, in the Warrant Agent's opinion relying upon the advice of Counsel, the same shall have been cured or adequate provision made therefor,

provided that no delay or omission of the Warrant Agent or of the Warrantholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Warrantholders in the premises shall extend to or be taken in any manner whatsoever to affect any prior or subsequent default hereunder or the rights resulting therefrom.

ARTICLE 7 MEETINGS OF WARRANTHOLDERS

7.1 Right to Convene Meetings

The Warrant Agent may at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warrantholders' Request, and upon being indemnified to its reasonable satisfaction by the Corporation or by the Warrantholders signing such Warrantholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, call and convene a meeting of the Warrantholders. In the event of the Warrant Agent failing to so call a meeting within seven days after receipt of such written request of the Corporation or such Warrantholders' Request and indemnity given as aforesaid, the Corporation or such Warrantholders, as the case may be, may call and convene such meeting. Every such meeting shall be held in Vancouver, British Columbia or at such other place as may be approved or determined by the Warrant Agent.

7.2 Notice

At least 21 days prior notice of any meeting of Warrantholders shall be given to the Warrantholders in the manner provided for in section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when, and the place where, the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Warrantholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 7. The notice convening any such meeting may be signed by an appropriate officer of the Warrant Agent or of the Corporation or by the person designated by the Warrantholders as the case may be.

7.3 Chairman

An individual (who need not be a Warrantholder) designated in writing by the Warrant Agent shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within 15 minutes from the time fixed for the holding of the meeting, the Warrantholders present in person or by proxy shall choose some individual present to be chairman.

7.4 Quorum

Subject to the provisions of section 7.11, at any meeting of the Warrantholders a quorum shall consist of Warrantholders present in person or by proxy and holding at least 25% of the aggregate number of all the then outstanding Warrants, provided that at least two Persons entitled to vote thereat are personally present. If a quorum of the Warrantholders shall not be present within 30 minutes from the time fixed for holding any meeting, the

meeting, if summoned by the Warrantheolders or on a Warrantheolders' Request, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting, the Warrantheolders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not be holding at least 25% of the aggregate number of all then outstanding Warrants.

7.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Warrantheolders is present may, with the consent of the meeting, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

7.6 Show of Hands

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands, except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

7.7 Poll and Voting

On every Extraordinary Resolution and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Warrantheolders acting in person or by proxy and holding in the aggregate at least 5% of the aggregate number of all the Warrants then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall be decided by a majority of the votes cast on the poll. On a show of hands, every Person who is present and entitled to vote, whether as a Warrantheolder or as proxy for one or more absent Warrantheolders, or both, shall have one vote. On a poll, each Warrantheolder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each whole Warrant or Warrants then held or represented by it. A proxy need not be a Warrantheolder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

7.8 Regulations

The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it shall think fit for:

- (a) the setting of the record date for a meeting for the purpose of determining Warrantheolders entitled to receive notice of and to vote at a meeting;
- (b) the deposit of voting certificates and instruments appointing proxies at such place and time as the Warrant Agent, the Corporation or the Warrantheolders convening the meeting, as the case may be, may in the notice convening the meeting direct;
- (c) the deposit of voting certificates and instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, cabled or telecopied before the meeting to the Corporation or to the Warrant Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;

- (d) the form of the instrument of proxy;
- (e) the manner in which the form of proxy must be executed; and
- (f) generally for the calling of meetings of Warranholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide and, subject to the provisions of section 7.9, the only Persons who shall be recognized at any meeting as a Warranholder, or be entitled to vote or be present at the meeting in respect thereof shall be Warranholders or their counsel, or proxies of Warranholders.

7.9 Corporation and Warrant Agent May be Represented

The Corporation and the Warrant Agent, by their respective directors, officers and employees, and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Warranholders, but shall have no vote as such unless in their capacity as a Warranholder.

7.10 Powers Exercisable by Extraordinary Resolution

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Warranholders at a meeting shall, subject to the provisions of section 7.11, have the power, exercisable from time to time by Extraordinary Resolution to:

- (a) agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warranholders or the Warrant Agent (subject to the consent of the Warrant Agent) in its capacity as warrant agent hereunder or on behalf of the Warranholders against the Corporation, whether such rights arise under this Indenture or the Warrant Certificates or otherwise;
- (b) amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Warranholders;
- (c) direct or to authorize the Warrant Agent, subject to subsection 9.2(b) hereof, to enforce any of the covenants on the part of the Corporation contained in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warranholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;
- (d) waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture or the Warrant Certificates either unconditionally or upon any conditions specified in such Extraordinary Resolution;
- (e) restrain any Warranholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warranholders;
- (f) direct any Warranholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warranholder in connection therewith;
- (g) assent to any change in or omission from the provisions contained in this Indenture or the Warrant Certificates or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;
- (h) remove the Warrant Agent or its successor in office and to appoint a new warrant agent or warrant agents to take the place of the Warrant Agent so removed; and

(i) assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

7.11 Meaning of Extraordinary Resolution

(a) The expression "Extraordinary Resolution" when used in this Indenture means, subject as hereinafter provided in this section 7.11 and in section 7.9, a resolution proposed at a meeting of Warrantheolders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Warrantheolders holding at least 25% of all the then outstanding Warrants and passed by the affirmative votes of Warrantheolders holding not less than 66-2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution.

(b) If, at any meeting called for the purpose of passing an Extraordinary Resolution, Warrantheolders holding at least 25% of the aggregate number of all then outstanding Warrants are not present in Person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Warrantheolders or on a Warrantheolders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 10 days prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in section 10.2. Such notice shall state that at the adjourned meeting the Warrantheolders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Warrantheolders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in subsection 7.11(a) shall be an Extraordinary Resolution within the meaning of this Indenture notwithstanding that Warrantheolders holding at least 25% of the aggregate number of all the then outstanding Warrants are not present in person or by proxy at such adjourned meeting.

(c) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

7.12 Powers Cumulative

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Warrantheolders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Warrantheolders to exercise such power or powers or combination of powers then or thereafter from time to time.

7.13 Minutes

Minutes of all resolutions and proceedings at every meeting of Warrantheolders shall be made and duly entered in books to be provided from time to time for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

7.14 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Warrantheolders at a meeting held as provided in this Article 7 may also be taken and exercised by Warrantheolders holding, in the case of such actions

and powers not requiring an Extraordinary Resolution, at least 51%, and, in the case of such actions and powers requiring an Extraordinary Resolution, at least 66-2/3% of the aggregate number of all the then outstanding Warrants by an instrument in writing signed in one or more counterparts by such Warrantheolders in person or by attorney duly appointed in writing, and the expressions "resolution", "ordinary resolution" or "Extraordinary Resolution" when used in this Indenture shall include an instrument so signed.

7.15 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 7 at a meeting of Warrantheolders shall be binding upon all the Warrantheolders, whether present at or absent from such meeting, and every instrument in writing signed by Warrantheolders in accordance with section 7.9 shall be binding upon all the Warrantheolders, whether signatories thereto or not, and each and every Warrantheolder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

7.16 Holdings by Corporation Disregarded

In determining whether Warrantheolders holding Warrant Certificates evidencing the required number of Warrants are present at a meeting of Warrantheolders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Warrantheolders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation or any Subsidiary shall be disregarded in accordance with the provisions of section 10.9.

ARTICLE 8 SUPPLEMENTAL INDENTURES

8.1 Provision for Supplemental Indentures for Certain Purposes

From time to time the Corporation (when authorized by action of the Directors) and the Warrant Agent may, subject to the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) setting forth any adjustments resulting from the application of the provisions of Article 4;
- (b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the circumstances, provided that the same are not, in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warrantheolders;
- (c) giving effect to any Extraordinary Resolution passed as provided in Article 7;
- (d) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warrantheolders;
- (e) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrant Certificates and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;
- (f) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, relying on the advice of

Counsel, such modification or relief in no way prejudices any of the rights of the Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative; and

(g) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that, in the opinion of the Warrant Agent, on advice of Counsel, the rights of the Warrant Agent and of the Warrantholders are in no way prejudiced thereby.

8.2 Continuanance

In the event the Corporation is continued under the Canada Business Corporations Act and the provisions thereof are inconsistent with the Business Corporations Act (British Columbia), the Corporation and the Warrant Agent shall enter into a supplemental indenture, modifying the terms of this Indenture so that the issue of Warrants hereunder complies with the provisions of the aforementioned act.

8.3 Successor Corporations

In the case of the consolidation, amalgamation, merger, business combination or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation (a "Successor Corporation"), the Successor Corporation resulting from such consolidation, amalgamation, arrangement, business combination, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

ARTICLE 9 CONCERNING THE WARRANT AGENT

9.1 Legislation

(a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with, a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.

(b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

9.2 Rights and Duties of Warrant Agent

(a) No trust is intended to be, or is or will be created hereby and the Warrant Agent shall owe no duties hereunder as a trustee.

(b) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall exercise that degree of care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own grossly negligent action or inaction, wilful misconduct or bad faith.

(c) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or of the Warrantholders hereunder shall be conditional upon the Warrantholders furnishing, when required by notice given by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably

satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

(d) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Warrantholders, at whose instance it is acting, to deposit with the Warrant Agent the Warrant Certificates held by them, for which Warrant Certificates the Warrant Agent shall issue receipts.

(e) The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and the Warrant Agent shall promptly provide the Warrantholders with notice of any such default and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

(f) No duty shall rest with the Warrant Agent to determine compliance of the transferor or transferee with applicable securities laws. The Warrant Agent shall be entitled to assume that all transfers are legal and proper.

(g) Every provision of this Indenture that by its terms relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Legislation.

9.3 Evidence, Experts and Advisers

(a) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.

(b) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, act and rely as to the truth of the statements and the accuracy of the opinions expressed in opinions, statutory declarations, resolutions, reports, written requests, consents, certificates or orders of the Corporation or other evidence furnished to the Warrant Agent pursuant to any provision hereof or of Applicable Legislation or a request of the Warrant Agent.

(c) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Warrant Agent opinions, statutory declarations, resolutions, reports, written requests, consents, certificates, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.

(d) The Warrant Agent may act and rely and shall be protected in acting and relying upon my resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cablegram or other paper document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.

(e) Proof of the execution of an instrument in writing, including a Warrantholders' Request, by any Warrantholder may be made by the certificate of a notary public, or other officer with similar powers, that the Person signing such instrument acknowledged to it the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Warrant Agent may consider adequate and in respect of a corporate Warrantholder, shall include a certificate of incumbency of such Warrantholder together with a certified resolution authorizing the person who signs such instrument to sign such instrument.

(f) The Warrant Agent may employ or retain such counsel, accountants, appraisers, engineers or other experts or advisers as it may reasonably require for the purpose of determining and/or discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with reasonable care by the Warrant Agent. The Corporation shall pay or reimburse the Warrant Agent for any reasonable fees, expenses and disbursements of such counsel or advisors.

(g) The Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any Counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in the administration of this Indenture.

9.4 Documents, Monies, etc. Held by Warrant Agent

Any securities, documents of title or other instruments that may at any time be held by the Warrant Agent subject to the duties and obligations hereof shall be placed in the deposit vaults of the Warrant Agent or of any Canadian chartered bank listed in Schedule 1 to the Bank Act (Canada) or of any trust company registered to do business in Canada or deposited for safekeeping with any such bank or trust company. Unless herein otherwise expressly provided, any monies so held pending the application or withdrawal thereof shall be deposited in a segregated non-interest bearing account in the name of the Warrant Agent in any Canadian chartered bank listed in Schedule 1 to the Bank Act (Canada) or any trust company registered to do business in Canada.

9.5 Actions by Warrant Agent to Protect Interest

The Warrant Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Warrantholders.

9.6 Warrant Agent Not Required to Give Security

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the terms and powers of this Indenture or otherwise in respect of the premises.

9.7 Protection of Warrant Agent

By way of supplement to the provisions of any law for the time being relating to warrant agents it is expressly declared and agreed that:

(a) the Warrant Agent shall not at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by sections 4.1 or 4.2, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representation contained in section 9.9 or by virtue of the countersignature of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

- (c) the Warrant Agent shall not have any obligation to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;
- (d) the Warrant Agent shall not be bound to give notice to any Person or Persons of the execution hereof;
- (e) the Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of any Directors, officers, employees, agents or servants of the Corporation;
- (f) the Corporation shall, without limiting any protection or indemnity of the Warrant Agent under any other provision hereof, or otherwise at law, indemnify and hold harmless the Warrant Agent, including its directors, officers, employees and agents, and all of their respective representatives, heirs, successors and assigns (collectively, the "Indemnified Parties"), from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including reasonable legal or advisor fees and disbursements, of whatever kind and nature which may at any time be imposed on, incurred by or asserted against the Indemnified Parties in connection with the performance of the Warrant Agent's duties and obligations hereunder, other than such liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements arising by reason of the gross negligence, wilful misconduct or fraud of the Warrant Agent. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding. The Indemnified Parties shall not be under any obligation to prosecute or to defend any action or suit which, in the opinion of their counsel, may cause them to incur expense or liability, unless the Corporation shall, so often as required, furnish the Indemnified Parties with satisfactory indemnity and funding against such expense or liability;
- (g) the Warrant Agent shall incur no liability and shall be fully protected in acting and relying upon any written notice, direction, instruction, request, waiver, consent, receipt or other paper or document furnished to it and signed by the parties thereto, not only as to its due execution and validity and the effectiveness of its provision but also to the truth and accuracy of any information therein contained which it in good faith believes to be genuine; and
- (h) the Warrant Agent shall have no duties except those which are expressly set forth herein and it shall not be bound by any notice of a claim or demand with respect to, or any waiver, modification, amendment, termination or rescission of this Indenture, unless received by it in writing, and signed by the parties hereto and, if its duties are herein affected, unless it shall have given prior written consent thereto.

9.8 Replacement of Warrant Agent; Successor by Merger

- (a) The Warrant Agent may resign its agency and be discharged from all further duties and liabilities hereunder, subject to this section 9.8, by giving to the Corporation not less than 60 days prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Warranholders by Extraordinary Resolution shall have the power at any time to remove the existing Warrant Agent and to appoint a new warrant agent all at the sole expense of the Warranholders. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new warrant agent unless a new warrant agent has already been appointed by the Warranholders; failing such appointment by the Corporation, the retiring Warrant Agent (at the expense of the Corporation) or any Warranholder may apply to a judge of the Supreme Court of British Columbia, for the appointment of a new warrant agent after such notification to the holders of the then outstanding Warrants and the Corporation as such judge may order; but any new warrant agent so appointed by the Corporation or by the court shall be subject to removal as aforesaid by the Warranholders. Any new warrant agent appointed under any provision of this section 9.8 shall be a corporation authorized to carry on the business of a trust company in the Province of British Columbia and, if required by the Applicable Legislation of any other

provinces, in such other provinces. On any such appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder.

(b) Upon the appointment of a successor warrant agent, the Corporation shall promptly notify the Warrantholders thereof in the manner provided for in section 10.2.

(c) Any corporation into or with which the Warrant Agent may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to the business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties, provided that such corporation would be eligible for appointment as a successor warrant agent under subsection 9.8(a).

(d) Any Warrant Certificates countersigned but not delivered by a predecessor warrant agent may be countersigned by the successor warrant agent in the name of the predecessor or successor warrant agent.

(e) On any such appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent without further assurance, conveyance, act or deed; but there will be immediately executed, at the expense of the Corporation, all such conveyances or other instruments as may, in the opinion of counsel, be necessary or advisable for the purpose of assuring such powers, rights, duties and responsibilities of the new warrant agent, provided that, any resignation or removal of the Warrant Agent and appointment of a successor warrant agent shall have executed an appropriate instrument accepting such appointment and, at the request of the Corporation, the predecessor Warrant Agent, upon payment of its outstanding remuneration and expenses shall execute and deliver to the successor warrant agent an appropriate instrument transferring to such successor warrant agent all rights and powers of the Warrant Agent hereunder.

(f) In case at any time the name of the Warrant Agent is changed and at such time any of the Warrant Certificates have been countersigned but not delivered, the Warrant Agent may adopt the countersignature under its prior name and deliver Warrant Certificates so countersigned; and in case at that time any of the Warrant Certificates have not been countersigned, the Warrant Agent may countersign such Warrant Certificates either in its prior name or in its changed name; and in all such cases such Warrant Certificates will have the full force provided in the Warrant Certificates and in this Indenture.

9.9 Conflict of Interest

(a) The Warrant Agent represents to the Corporation that, at the time of execution and delivery hereof, no material conflict of interest exists between its role as a warrant agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 90 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its agency hereunder to a successor warrant agent approved by the Corporation and meeting the requirements set forth in subsection 9.8(a). Notwithstanding the foregoing provisions of this subsection 9.9(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Warrant Certificate shall not be affected in any manner whatsoever by reason thereof.

(b) Subject to subsection 9.9(a), the Warrant Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract and enter into financial transactions with the Corporation without being liable to account for any profit made thereby.

9.10 Appointment and Acceptance of Rights, Duties and Obligations

The Corporation hereby appoints the Warrant Agent as warrant agent under the terms and conditions set forth in this Indenture. The Warrant Agent hereby accepts the rights, duties and obligations in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

9.11 Warrant Agent Not to be Appointed Receiver

The Warrant Agent and any Person related to the Warrant Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

9.12 Authority to Carry on Business

The Warrant Agent represents to the Corporation that it is authorized to carry on the business of a trust company in British Columbia. If, notwithstanding the provisions of this section 9.12, the Warrant Agent ceases to be authorized to carry on such business in British Columbia, the validity and enforceability of this Indenture and the Warrants issued hereunder shall not be affected in any manner whatsoever by reason only of such event provided that the Warrant Agent shall, within thirty (30) days after ceasing to be authorized to carry on such business in British Columbia, either become so authorized or resign in the manner and with the effect specified in section 9.8.

**ARTICLE 10
GENERAL**

10.1 Notice to the Corporation and the Warrant Agent

(a) All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by facsimile transmission (with confirmation from the sending machine) or mailed by registered mail (return receipt requested) or lettermail, postage prepaid, or delivered by courier to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

if to the Corporation:

CuOro Resources Corp.
1305 – 1090 West Georgia Street
Vancouver, BC, V6E 3V7

Attention: Chief Financial Officer
Fax: (604) 683-1585

with a copy, which shall not constitute notice to the Company, to:

McMillan LLP
1500 Royal Centre
1055 West Georgia Street
Vancouver, BC, V6E 4N7

Attention: Jeff Wust
Fax: (604) 893-2367

if to the Warrant Agent:

Valiant Trust Company
600 – 750 Cambie Street,
Vancouver, British Columbia, V6B 0A2

Attention: Manager, Client Services
Fax: (604) 681-3067

and any such notice delivered or faxed in accordance with the foregoing shall be deemed to have been received on the date of delivery if faxed before 5:00 p.m. (Vancouver time), on the next Business Day

following the date it was faxed if faxed after 5:00 p.m. (Vancouver time), or, if mailed, on the third (3rd) Business Day following the date of the postmark on such notice.

(b) The Corporation or the Warrant Agent, as the case may be, may from time to time notify the others in the manner provided in this section 10.1 of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

(c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed or, if it is delivered to such party at the appropriate address provided in section 10.1, or sent by facsimile or other means of prepaid, transmitted and recorded communication.

10.2 Notice to Warrantholders

Any notice to the Warrantholders under the provisions of this Indenture shall be valid and effective if sent in the same manner as set forth in section 10.1, at their address appearing on the register of Warrantholders hereinbefore mentioned and shall be deemed to have been given on the date of delivery, if sent by lettermail, on the fifth Business Day following mailing. Accidental error or omission in giving notice or accidental failure to mail notice to any holder will not invalidate any action or proceeding founded thereon.

10.3 Ownership and Transfer of Warrants

The Corporation and the Warrant Agent may deem and treat the registered owner of any Warrant Certificate as the absolute owner of the Warrant represented thereby for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Warrantholder shall be entitled to the rights evidenced by its Warrant Certificate free from all equities or rights of set off or counterclaim between the Corporation and the original or any intermediate holder thereof and all Persons may act accordingly and the receipt of any such Warrantholder of the Common Shares which may be purchased pursuant thereto shall be a good discharge to the Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

10.4 Third Party Interests

The Corporation represents to the Warrant Agent that any account to be opened by, or interest to be held by the Warrant Agent in connection with this Indenture, for or to the credit of the Corporation, is not intended to be used by or on behalf of any third party.

10.5 Not Bound to Act

The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days written notice to the Corporation, provided (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such 10 day period, then such resignation shall not be effective.

10.6 Counterparts

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date first written above. The parties shall be entitled to rely upon delivery of an executed facsimile copy of this Indenture and such facsimile copy shall be legally effective to create a valid and binding agreement between the parties.

10.7 Satisfaction and Discharge of Indenture

Upon the earlier of:

- (a) the date by which there shall have been delivered to the Warrant Agent for exercise or destruction all Warrant Certificates theretofore countersigned hereunder; or
- (b) the Expiry Time,

this Indenture shall cease to be of further effect. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent, and the covenants made by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

10.8 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Warrantholders

Nothing in this Indenture or in the Warrant Certificates, expressed or implied, shall give or be construed to give to any Person other than the parties and the Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties and the Warrantholders.

10.9 Warrants Owned by the Corporation or its Subsidiaries - Certificate to be Provided

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation in section 7.16, the Corporation shall provide to the Warrant Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate:

- (a) the names (other than the name of the Corporation) of the registered holders of Warrants which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation or any of its Subsidiaries; and
- (b) the number of Warrants owned legally or beneficially by the Corporation,

and the Warrant Agent, in making the computations in section 7.16, shall be entitled to rely on such certificate without any additional evidence.

10.10 Privacy

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "Privacy Laws") applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other party to contravene, applicable Privacy Laws. The Corporation shall, prior to transferring or causing to be transferred personal information to the Warrant Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Warrant Agent shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Warrant Agent agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy

complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from the Corporation or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

10.11 Further Assurances

The parties hereto and each of them do hereby covenant and agree to do such things and execute such further documents, agreements and assurances as may be reasonably necessary or advisable from time to time in order to carry out the terms and conditions of this Indenture in accordance with their true intent.

10.12 Severability

It is intended that all of the provisions of this Indenture will be fully binding and effective between the parties. If any particular provision or provisions or a part of one or more is held to be invalid, illegal, void, voidable or unenforceable for any reason whatsoever, then the particular provision or provisions or part of the provision will be deemed severed from the remainder of this Indenture. The remainder of this Indenture will not be affected by the severance and will remain in full force and effect.

10.13 Entire Agreement

This Indenture constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior or contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no general or specific warranties, representations or other agreements by or among the parties in connection with the entering into of this Indenture or the subject matter hereof except as specifically set forth herein.

10.14 No Waiver

No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance by the other party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such party hereunder. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

10.15 Enurement

This Indenture shall benefit and bind the parties to it and their respective successors and assigns.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Indenture effective the day and year first above written.

CUORO RESOURCES CORP.

VALIANT TRUST COMPANY

Per: "Robert Sedgemore"
Authorized Signatory

Per: "Janet M. Brown"
Authorized Signatory

Per: "Nick Demare"
Authorized Signatory

Per: "Ramie Lousa"
Authorized Signatory

SCHEDULE A to a Warrant Indenture made as of the 31st day of May, 2011 between CuOro Resources Corp. and Valiant Trust Company, as warrant agent.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE OCTOBER 1, 2011.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL OCTOBER 1, 2011.

[Include the following legend on Global Certificates:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO CUORO RESOURCES CORP. (THE “ISSUER”) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS, OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS, HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE. THIS CERTIFICATE IS ISSUED PURSUANT TO A BOOK-ENTRY ONLY SECURITIES SERVICES AGREEMENT BETWEEN THE ISSUER AND CDS, AS SUCH AGREEMENT MAY BE REPLACED OR AMENDED FROM TIME TO TIME.]

WARRANT CERTIFICATE

CUORO RESOURCES CORP.

(Governed by the Business Corporations Act (British Columbia))

WARRANT

CERTIFICATE NO. _____

_____ WARRANTS

THIS IS TO CERTIFY THAT, FOR VALUE RECEIVED

[Name of holder]

(the “holder”) is the registered holder of the number of warrants (the “Warrants”) stated above and is entitled to purchase in the manner and subject to the restrictions and adjustments set forth herein, at any time and from time to time until 5:00 p.m. Vancouver time (the “Expiry Time”) on the Expiry Date, one fully paid and non-assessable common share (“Common Share”) in the capital of CuOro Resources Corp. (the “Corporation”) at a subscription price of \$2.50 per Common Share for each whole Warrant represented hereby.

The right to purchase Common Shares may only be exercised by the holder within the time set forth above by:

- (a) duly completing and executing the exercise form (the “Exercise Form”) attached hereto as Appendix 1; and

(b) surrendering this warrant certificate (the "Warrant Certificate"), with the Exercise Form to Valiant Trust Company (the "Warrant Agent") at the principal office of the Warrant Agent at 600 – 750 Cambie Street, Vancouver, British Columbia, V6B 0A2 together with a certified cheque, bank draft or money order payable to or to the order of the Corporation in the amount of \$2.50 per Common Share.

The Warrants represented by this Warrant Certificate shall be deemed to be surrendered only upon personal delivery hereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above, unless the Corporation accepts another form of delivery.

Upon the exercise of Warrants, the Person or Persons in whose name or names the Common Shares issuable upon subscription of the Warrants are to be issued shall be deemed for all purposes (except as provided in the Indenture referred to below) to be the holder or holders of record of such Common Shares and upon surrender of these Warrants, the Corporation covenants that it will (subject to the provisions of the Indenture) cause a certificate or certificates representing such Common Shares to be delivered or mailed to the Person or Persons at the address or addresses specified in the Exercise Form as soon as practical after the due surrender of this Warrant Certificate but in any event within three Business Days.

The registered holder of these Warrants may acquire any lesser number of Common Shares than the number of Common Shares which may be purchased for the Warrants represented by this Warrant Certificate. In such event, the holder shall be entitled to receive a new Warrant Certificate for the balance of the Warrants not exercised. No fractional Common Shares will be issued and no cash consideration will be paid in lieu of fractional Common Shares. Any Common Shares that are issued pursuant to the terms hereof shall be rounded down to the nearest whole number, without any compensation therefore.

Subject to adjustment, if, at any time after four months and one day has elapsed after the Effective Date and ending at the Expiry Time, the volume weighted average trading price of the Corporation's Common Shares on the Exchange (or such other stock exchange on which the Corporation's Common Shares are listed and where a majority of the trading volume occurs), for a period of 20 consecutive Trading Days, exceeds \$4.00, the Corporation may, within five days after such an event, provide notice to the holder of the early expiry and thereafter, the Warrants will expire at the Expiry Time on the date which is 30 days from the date specified in the notice.

The Warrants represented by this certificate are issued under and pursuant to a warrant indenture (the "Indenture") made as of May 31, 2011, between the Corporation and the Warrant Agent. Reference is made to the Indenture and any instruments supplemental thereto for a full description of the rights of the holders of the Warrants and the terms and conditions upon which the Warrants are, or are to be, issued and held, with the same effect as if the provisions of the Indenture and all instruments supplemental thereto were herein set forth. By acceptance hereof, the holder assents to all provisions of the Indenture.

Capitalized terms used in this Warrant Certificate and the appended Exercise Form have the meaning herein and therein as ascribed thereto in the Indenture unless otherwise defined in this Warrant Certificate. In the event of any discrepancy between the terms of this Warrant Certificate and the Indenture, the terms of the Indenture shall prevail.

In the event of certain alterations to the Common Shares, including any subdivision, consolidation or reclassification, and in the event of certain forms of reorganization of the Corporation, including any amalgamation, merger or arrangement, the holders of Warrants shall, upon subscription of the Warrants following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they subscribed for their Warrants immediately prior to the occurrence of those events. The Indenture also provides that the Exercise Price per Common Share is subject to adjustment in certain events.

The registered holder of this Warrant Certificate may, at any time prior to the Expiry Date, upon surrender hereof to the Warrant Agent at its principal office in Vancouver, British Columbia, exchange this Warrant Certificate for other Warrant Certificates representing, in the aggregate, the same number of Warrants as indicated in this Warrant Certificate.

The holding of the Warrants evidenced by this Warrant Certificate shall not constitute the holder hereof a shareholder of the Corporation or entitle the holder to any right or interest in respect thereof except as expressly provided in the Indenture and in this Warrant Certificate.

The Indenture provides that all holders of Warrant Certificates shall be bound by any resolution passed at a meeting of the holders held in accordance with the provisions of the Indenture and by any resolution signed by the holders of Warrants holding a specified majority of the then outstanding Warrants.

The Warrants evidenced by this Warrant Certificate may be transferred on the register kept at the principal office of the Warrant Agent in Vancouver, British Columbia by the registered holder hereof, or its legal representative or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent, only upon compliance with the conditions prescribed in the Indenture and upon compliance with such reasonable requirements as the Warrant Agent may prescribe.

Compliance with applicable securities legislation is the responsibility of the Warrantholder or its transferee.

Neither the Warrants represented by this Warrant Certificate nor the Common Shares issuable upon exercise of such Warrants have been registered under the United States Securities Act of 1933, as amended, (the "Act") and, therefore, neither may be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of United States Persons. Terms used in this paragraph have the meanings given them by Regulation S under the Act.

This Warrant Certificate shall not be valid for any purpose whatever unless and until it has been countersigned by or on behalf of the Warrant Agent.

Time shall be of the essence hereof.

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer as of the _____ day of _____, 2011.

CUORO RESOURCES CORP.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

Countersigned by:

VALIANT TRUST COMPANY, as Warrant Agent

By: _____

Date: _____

APPENDIX 1 to a Warrant Certificate of CuOro Resources Corp. dated as of the 31st day of May, 2011.

EXERCISE FORM

TO: **CUORO RESOURCES CORP.** (the "Corporation")

1. The undersigned registered holder of the within Warrants hereby irrevocably subscribes for the number of common shares (the "Common Shares") in the capital of the Corporation as indicated below at a price of \$2.50 per share upon the terms applicable to these Warrants.

NUMBER OF COMMON SHARES SUBSCRIBED FOR: _____

TOTAL PRICE: \$ _____

Further Warrant Certificate required for balance of Warrants evidenced hereby: _____

2. The Common Shares (or other securities or property) are to be registered as follows:

Name: _____

Address in Full: _____

Telephone: _____

3. The Common Shares (or other security or property) are to be delivered as follows (check one):

A. To the registered address above C. To the following address below:

B. To be held for pick-up at the principal office of VALIANT TRUST COMPANY _____

4. The undersigned represents, warrants and certifies as follows (one of the following must be checked):

(a) * _____ the undersigned holder at the time of exercise of the Warrant is not in the United States, is not a "U.S. person" as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and is not exercising the Warrant on behalf of, or for the account or benefit of a U.S. person or person in the United States and did not execute or deliver this exercise form in the United States; OR

(b) * _____ the undersigned holder has delivered to the Corporation and the Warrant Agent an opinion of counsel (which will not be sufficient unless it is in form and substance satisfactory to the Corporation and the Warrant Agent) or such other evidence satisfactory to the Corporation to the effect that with respect to the securities to be delivered upon exercise of this Warrant, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

For the purposes hereof, "United States" and "U.S. person" are as defined by Regulation S under the U.S. Securities Act.

The undersigned holder understands that the certificate representing the Common Shares issued upon exercise of the Warrant will bear a legend, as set forth in Section 2.2 of the Warrant Indenture, restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available. A share certificate bearing such a legend is not considered to be good delivery in Canada.

DATED this _____ day of _____, 20____.

Signature Guaranteed

Per:

Signature
(Signature of Warrantholder must correspond with the name that appears on the face of the Warrant Certificate)

(Name in Full – Please print)

(Address)

(Telephone Number)

Notes:

1. Instructions for exercising Warrants are on the face page of the Warrant Certificate.
2. If the Exercise Form indicates that Common Shares are to be issued to a person or persons other than the registered holder of the Warrant Certificate, the signature on the Exercise Form shall be Signature Guaranteed by a Canadian Schedule 1 chartered bank or guarantor institution with membership in an approved medallion signature guarantee program.
3. If the Exercise Form is signed by an agent, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Corporation.
4. If Box 4(b) is checked, any opinion tendered must be from counsel of recognized standing in form and substance satisfactory to the Corporation. Holders planning to deliver an opinion of counsel in connection with the exercise of the Warrants should contact the Corporation in advance to determine whether any opinions tendered will be acceptable to the Corporation.

APPENDIX 2 to a Warrant Certificate of CuOro Resources Corp. dated as of the 31st day of May, 2011.

TRANSFER OF WARRANTS

THE WARRANTS REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED TO A U.S. PERSON OR TO ANY PERSON IN THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT OF 1933, AS AMENDED) OR TO ANY PERSON FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON OR A PERSON IN THE UNITED STATES, EXCEPT IN LIMITED CIRCUMSTANCES SPECIFIED IN THE WARRANT INDENTURE.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to:

Name: _____

Address for registration: _____

Address for delivery: _____

_____ Warrants of CuOro Resources Corp. (the "Corporation") registered in the name of the undersigned on the records of the Corporation represented by the Warrant Certificate attached hereto and irrevocably appoints Valiant Trust Company (the "Warrant Agent") the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

The undersigned hereby certifies that the transfer of these securities is not being made to, or, for the account or benefit of, and the offer of these securities was not made to, or, for the account or benefit of, and the person named above is not, and is not acting for the account or benefit of, a person in the "United States" or a "U.S. person" (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act")), unless such transfer is exempt under the U.S. Securities Act.

DATED the _____ day of _____, 20____.

Signature Guaranteed

Signature (Signature of Warrantholder must correspond with the name that appears on the face of the Warrant Certificate)

The signature on the Exercise Form shall be guaranteed by a Canadian Schedule 1 chartered bank or guarantor institution with membership in an approved medallion signature guarantee program.

The following to be completed by the transferee (one of the following must be checked):

- The undersigned transferee hereby certifies that (i) he is not a “U.S. person” (as defined in Regulation S under the U.S. Securities Act (a “U.S. Person”)), (ii) at the time of transfer he is not within the United States, and (iii) he is not acquiring any of the Warrants represented by this certificate by or on behalf of any U.S. Person or person within the United States. OR
- The undersigned transferee acknowledges that the Warrants and the Common Shares issuable upon exercise hereof are “restricted securities” within the meaning of Rule 144 of the U.S. Securities Act and may not be offered, sold, transferred or exercised absent registration under the U.S. Securities Act or an exemption therefrom AND the undersigned transferee is delivering herewith, if so requested by the Corporation, an opinion of U.S. counsel to the effect that this transfer of the Warrants has been registered under the U.S. Securities Act or is exempt from registration thereunder.

DATED the _____ day of _____, 20____.

Signature Guaranteed

Signature

Instructions:

- (1) If this transfer form (the “Transfer Form”) is signed by an agent, executor, administrator, curator, guardian, attorney, officer of a corporation or any Person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Corporation.
- (2) The signature on this Transfer Form must be guaranteed by a Canadian Schedule 1 chartered bank or a member of an acceptable medallion guarantee program. The guarantor must affix a stamp bearing the actual words “signature guaranteed”. Signature guarantees are NOT accepted from treasury branches or credit unions unless they are members of an acceptable stamp medallion program. In the United States, signature guarantees must be done by members of the “medallion signature guarantee program” only.
- (3) **Warrants shall only be transferable in accordance with applicable laws. The transfer of Warrants to a purchaser not resident in a Selling Jurisdiction may result in the Common Shares obtained upon the exercise of the Warrants not being freely tradable in the jurisdiction of the purchaser.**

Capitalized terms used in this Transfer Form have the meanings ascribed thereto in the Indenture unless otherwise defined in this Transfer Form.

SCHEDULE B to a Warrant Indenture made as of the 31st day of May, 2011 between CuOro Resources Corp. and Valiant Trust Company, as warrant agent.

FORM OF DECLARATION FOR REMOVAL OF LEGEND

To: Valiant Trust Company
as registrar and warrant agent for
Warrants of CuOro Resources Corp.

And to: CuOro Resources Corp.

The undersigned (A) acknowledges that the sale of the securities to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("Regulation S") under the U.S. Securities Act of 1933, as amended (the "1933 Act") and (B) certifies that (1) it is not an "affiliate" (as defined in Rule 405 under the 1933 Act) of CuOro Resources Corp., (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of the TSX Venture Exchange or other "designated offshore securities market" and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any person acting on its behalf has engaged or will engage in any directed selling efforts in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the 1933 Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the 1933 Act. Terms used herein have the meanings given to them by Regulation S.

Dated: _____

Name of Seller

By: _____
Name:
Title: