

**CONCESSIONS AND PROPERTY TRANSFER AGREEMENT**

made between

**GEOLOGIX (PERU) S.A.**

and

**RAE -WALLACE PERU S.A.C.**

and

**RAE - WALLACE MINING COMPANY**

Date (July 12, 2010)

## CONCESSIONS AND PROPERTY TRANSFER AGREEMENT

This **CONCESSIONS AND PROPERTY TRANSFER AGREEMENT** is made effective as of the 12th day of July 2010 (“Effective Date”) among **GEOLOGIX (PERU) S.A.**, a Peruvian corporation (“GIX-Peru”) having an office at Av. Santa Maria #110-140, San Isidro, Lima 27, Peru; and **RAE WALLACE PERU S.A.C.** a Peruvian corporation (“RWMC-Peru”) having an office at Av. Los Libertadores #739, San Isidro, Lima, Peru; and **RAE-WALLACE MINING COMPANY**, an Idaho corporation (“RWMC”) having an office at 610 S. Rock Blvd., Suite 205, Sparks, Nevada 89431, United States of America

### WHEREAS:

**A.** GIX-Peru is (i) the owner of the mining concessions located in Peru, described on the attached Exhibit “A” (the “Concessions”); and (ii) the equipment including transport equipment, machinery and computers and other assets described on the attached Exhibit “B” (collectively the “Property”);

**B.** GIX-Peru, and GIX (as defined below), and RWMC-Peru, and RWMC (as defined below), entered into a certain agreement, dated July 8, 2010 setting forth the principal terms under which RWMC-Peru and GIX-Peru would enter into a definitive agreement for the transfer of the Concessions and the Property (“Agreement for Purchase”) in favour of RWMC-Peru;

**C.** GIX-Peru and RWMC-Peru, now wish to enter into and formalize the transfer of 100% legal and beneficial interests in the Concessions and the Property in favour of RWMC-Peru.

**NOW THEREFORE**, in consideration of the premises and of the mutual covenants and agreements hereinafter contained, the Parties agree as follows:

### ARTICLE 1 INTERPRETATION

**1.1** The headings and section references in this Agreement are for convenience of reference only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision thereof.

**1.2** Any reference to a particular “article”, “section”, “paragraph”, “clause” or other subdivision is to the particular article, section, clause or other subdivision of this Agreement, and any reference to an Exhibit by letter will mean the appropriate Exhibit attached to this Agreement and by such reference the appropriate Exhibit is incorporated into and made part of this Agreement.

1.3 If any part of this Agreement is declared or held to be invalid for any reason, such invalidity will not affect the validity of the remainder which will continue in full force and effect and be construed as if this Agreement had been executed without the invalid portion, and it is hereby declared the intention of the Parties that this Agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held to be invalid.

1.4 All references herein to currency are references to United States dollars.

1.5 **Definitions**

For the purposes of this Agreement, except as otherwise defined herein, the following capitalized words and phrases when used herein have the following meanings:

**Agreement** means this Concessions and Property Transfer Agreement;

**Concessions**, means the twenty six (26) mining concessions located in Peru, described on the attached Exhibit "A".

**Conditional Payment** has the meaning set forth in Section 5.5(c).

**Conditional Payment Date** means the date that is thirty (30) days from the Final Calculation Date.

**GIX** means Geologix Explorations Inc., a British Columbia corporation, having an office at 595 Burrard Street, Suite 1793, Vancouver, British Columbia V6C 2T8, Canada;

**Party** means a party to this Agreement.

**Property** means the equipment including transport equipment, machinery and computers and other assets described on the attached Exhibit "B".

**RWMC** means Rae-Wallace Mining Company, an Idaho corporation having an office at 610 S. Rock Blvd., Suite 205, Sparks, Nevada 89431, United States of America.

**ARTICLE 2**  
**REPRESENTATIONS, WARRANTIES AND**  
**COVENANTS OF GIX AND GIX-PERU**

2.1 GIX-Peru represents and warrants to and covenants with RWMC-Peru, with the knowledge that RWMC-Peru is relying upon same in entering into this Agreement, that:

- (a) GIX-Peru is legally constituted under the laws of Peru and validly exists as a company in good standing; and GIX is legally constituted under the laws of British Columbia and validly exists as a company in good standing;
- (b) it has the full power and capacity to enter into this Agreement and has duly obtained all authorizations for the execution of this Agreement and for the performance of this Agreement by them, and the consummation of the transactions herein contemplated will not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of their constituting documents or any, owner's, shareholders' or directors' resolution, indenture, agreement or other instrument whatsoever to which either of them is a party or by which either of them is bound or to which they may be subject;
- (c) the entering into and the performance of this Agreement and the transactions contemplated herein will not result in the violation of any judgment, decree, order, rule or regulation of any court or administrative body by which GIX-Peru is bound, or any statute or regulation applicable to GIX-Peru;
- (d) no proceedings are pending for, and GIX-Peru is unaware of any basis for, the institution of any proceedings leading to, the dissolution or winding up of either of them or the placing of either of them in bankruptcy or subject to any other laws governing the affairs of insolvent companies or entities;
- (e) to the best of GIX-Peru's knowledge, there are no outstanding work orders or actions required to be taken relating to environmental matters, or any existing condition on the Concessions which could be the basis therefore and GIX-Peru have no knowledge of any environmental issues affecting or that might affect the Concessions;
- (f) the Concessions, subject only to a production royalty on some of the Concessions as described in Exhibit 'C', are in good standing, and all obligations, dispositions, taxes and fees for the year 2009, inclusive, with respect to the Concessions required by law, regulation or order have been made and filed;
- (g) there is no adverse claim or challenge against or to GIX-Peru's ownership of or title to the Concessions or which may impede the exploration or development thereof, nor is there any basis for any potential claim or challenge, and other than this Agreement there are no outstanding agreements or options to acquire or purchase the Concessions or any portion thereof (other than the Agreement for Purchase among the Parties), and no persons have any royalty, net profits or other interests, except as provided for in this Agreement or in any other agreement entered into by either of the Parties on or before the date of this Agreement;



- (h) the Concessions are free and clear of all liens, charges and encumbrances except as the Conditional Payment in favour of GIX-Peru, as provided for under Section 5.5(c), and any other provision under this Agreement;
- (i) there is no litigation, proceeding or investigation pending or threatened against the Concessions, nor does GIX-Peru know, or have any grounds to know after due inquiry, of any basis for any litigation, proceeding or investigation which would affect the Concessions; and
- (j) GIX-Peru is not a party to any agreement which provides for the payment of finder's fees, brokerage fees, commissions or other fees or amounts which are or may become payable to any third party in connection with the execution and delivery of this Agreement and the transactions contemplated herein.

**2.2** The representations, warranties and covenants contained in Section 2.1 are provided for the exclusive benefit of RWMC-Peru and a breach of any one or more thereof may be waived by either of them in whole or in part at any time without prejudice to their rights in respect of any other breach of the same or any other representation, warranty or covenant, and the representations, warranties and covenants contained in Section 2.1 shall survive the execution of this Agreement and of any transfers, assignments, deeds or further documents respecting the Concessions.

### **ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS OF RWMC AND RWMC-PERU**

**3.1** RWMC-Peru represents and warrants to and covenants with GIX-Peru, with the knowledge that GIX-Peru is relying upon same in entering into this Agreement, that:

- (a) RWMC-Peru is legally constituted under the laws of Peru and validly exists as a company in good standing; and RWMC is legally constituted under the laws of Idaho;
- (b) It has the full power and capacity to enter into this Agreement and has duly obtained all corporate authorizations for the execution of this Agreement and for the performance of this Agreement by them, and the consummation of the transactions herein contemplated will not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under their constituting documents or any owner's, shareholders' or directors' resolution, indenture, agreement or other instrument whatsoever to which either of them is a party or by which it is bound or to which they may be subject;
- (c) the entering into and the performance of this Agreement and the transactions contemplated herein will not result in the violation of any judgment, decree, order, rule or regulation of any court or administrative body by which RWMC-Peru or

RWMC is bound, or any statute or regulation applicable to RWMC-Peru or RWMC;

- (d) no proceedings are pending for, and RWMC-Peru is unaware of any basis for the institution of any proceedings leading to, the dissolution or winding up of either of RWMC-Peru or RWMC or the placing of either of them in bankruptcy or subject to any other laws governing the affairs of insolvent companies;
- (e) RWMC is or will become, during the term of this agreement and it will thereafter remain, a reporting issuer or the equivalent thereof under the securities laws of the United States of America or a province of Canada and is not and will not be during such term in default of any requirement of such legislation;
- (f) at the time of delivery to GIX, as instructed by GIX-Peru, any shares of RWMC will be duly authorized and validly allotted and issued as fully paid and non-assessable shares of common stock and on the date of receipt by GIX, as instructed by GIX-Peru, of the certificate or certificates representing such shares, every consent, approval, authorization, order or agreement of all securities regulatory authorities required for the issuance of such shares and the delivery to GIX, as instructed by GIX-Peru, of such certificate or certificates to be valid will have been obtained and will be in effect;
- (g) should the shares of common stock of RWMC become listed and posted for trading on a securities exchange, RWMC-Peru will ensure, at the time of the delivery of the certificates representing the shares to GIX, as instructed by GIX-Peru, or as soon as possible thereafter, that the listing of such shares on such exchange will have been approved, subject only to fulfillment of the requirements of the exchange relating to listing of additional shares of a listed class or series of shares; and
- (h) RWMC-Peru and RWMC are not party to any agreement which provides for the payment of finder's fees, brokerage fees, commissions or other fees or amounts which are or may become payable to any third party in connection with the execution and delivery of this Agreement and the transactions contemplated herein.

**3.2** The representations, warranties and covenants contained in Section 3.1 are provided for the exclusive benefit of GIX-Peru and GIX and a breach of any one or more thereof may be waived by them in whole or in part at any time without prejudice to their rights in respect of any other breach of the same or any other representation, warranty or covenant, and the representations, warranties and covenants contained in Section 3.1 shall survive the execution of this Agreement.



## **ARTICLE 4 SALE AND PURCHASE**

**4.1** Subject to and on the terms herein, GIX-Peru hereby transfers and RWMC-Peru hereby acquires 100% title to the following: (a) the Concessions including all of its constituent and integral parts and appurtenances (“*partes integrantes y accesorias*”) located within the internal boundaries of the Concessions; and, (b) the Property which RWMC-Peru acknowledges having received from GIX-Peru at its full satisfaction.

**4.2** The transfer of the Concessions also includes exploration data respecting the Concessions possessed or controlled by GIX-Peru, including drill core, samples, assays and file archives, as available, which RWMC-Peru acknowledges having received from GIX-Peru at its full satisfaction.

## **ARTICLE 5 PRICE AND PAYMENT**

**5.1** The total consideration agreed and paid to GIX-Peru for the Concessions (“**Purchase Price**”), is the amount of US\$312,500.00; which GIX-Peru declares to have received in full and when due, in accordance with Section 4.2 of the Agreement for Purchase, with no need for any further evidence other than GIX-Peru’s authorised representative signature at the end of this document.

**5.2** In accordance with Sections 4.6 and 4.7 of the Agreement for Purchase which is not subject to recording, the Purchase Price is comprised by cash payments in the aggregate amount of US\$62,500.00 and 1,000,000 RWMC common stock shares, which value for the purpose of this Agreement was agreed to be the aggregate amount of US\$250,000.00, all of which has, on the date hereof, been applied in full to the Purchase Price.

**5.3** In accordance with Article 30 of the Regulations of the Registry of Mineral Rights approved by resolution of the National Superintendence of the Public Registry numbered 052-2004-SUNARP-SN and its amendments, the value allocated to each of the mining concessions comprising the Concessions is the result of distributing the Purchase Price prorate to the extent of each mining concession as detailed in Exhibit A.

**5.4** The total consideration agreed and paid by RWMC-Peru to GIX-Peru for the transfer of the Property is US\$ 35,000.00 inclusive of any amount in respect of applicable General Sales Tax and Municipal Promotion Tax (collectively referred to as *Impuesto General a las Ventas or IGV*).

**5.5** Parties hereby declare, agree and covenant to each other the following;

- (a) that between the Concessions and the Purchase Price at which the same are hereby being transferred, there is a fair and perfect equivalency and, therefore, should any difference appear, parties waive all actions destined to totally or partially invalidate the legal effects of this Agreement; and

- (b) that between Property and the price at which the same are hereby being transferred, there is a fair and perfect equivalency and, therefore, should any difference appear, parties waive all actions destined to totally or partially invalidate the legal effects of this Agreement.
- (c) If by March 8, 2011, RWMC or RWMC-Peru or any of their affiliates enter into a transaction with a third party pertaining to the Concessions, RWMC-Peru shall pay to GIX-Peru 20% of all of the proceeds and consideration received by RWMC and / or RWMC-Peru or such an affiliate from such transaction(s) (“Conditional Payment”). The Conditional Payment shall be paid in immediately available funds, by electronic transfer to such account as GIX-Peru shall previously have notified to RWMC-Peru.

## **ARTICLE 6 EMPLOYEES**

**6.1** Each Party shall be responsible for its agents, employees, servants and contractors. Each Party shall indemnify and hold harmless the other parties to this Agreement for the indemnifying Party’s employment and labor obligations with respect to the indemnifying Party’s agents, employees, servants and contractors.

## **ARTICLE 7 CONFIDENTIAL INFORMATION**

**7.1** RWMC-Peru acknowledges and agrees that any information with respect to the subject matter of this Agreement obtained by them through discussions, communication or negotiations among themselves, will be kept confidential and shall not be published or disclosed other than in furtherance of the purpose of this Agreement. This confidentiality obligation shall not apply to (i) any such information that is now in the public domain, (ii) that may subsequently be in the public domain other than by a breach of a Party, (iii) information received from a third party who was under no obligation of confidentiality, and (iv) information that is required by stock exchange rules, policy or requirements or by law or regulation to be disclosed by a Party.

## **ARTICLE 8 DISPUTES**

**8.1** The Parties shall seek in good faith to resolve all disputes under this Agreement by negotiation. If they are unable to resolve an alleged breach of this Agreement by negotiation, then in addition to RWMC-Peru’s right to terminate the Agreement, and GIX-Peru’s right to terminate the Agreement in accordance with the foregoing provisions, each Party shall have the right to seek damages in a judicial proceeding for a breach of this Agreement. Alternatively, the Parties may seek to resolve any breach by arbitration to be held in Reno, Nevada in accordance with the commercial rules of the American Arbitration Association. No judicial or arbitral award shall include any punitive or special damages.



**ARTICLE 9  
NOTICES**

**9.1** Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be delivered to such Party by regular mail or courier at the address specified in the first paragraph of this Agreement. The date of receipt of such notice, demand or other communication shall be the date of delivery thereof. A Party may at any time and from time to time notify to the other Parties in writing of a change of address and the new address to which notice shall be given to it thereafter until further change.

**ARTICLE 10  
GENERAL**

**10.1** RWMC hereby unconditionally and irrevocably, and jointly and severally guarantees to GIX-Peru the due and punctual performance and observance by RWMC of its obligations under this Agreement and/or in relation to the Concessions and/or any other agreement signed by the Parties on or before the date hereof.

**10.2** This Agreement shall be governed by and construed in accordance with the internal laws of Nevada, without regard to principles of conflicts of law thereof; except in the case of mandatory laws ("*normas imperativas*") in the Republic of Perú, in which case such laws will apply.

**10.3** No consent or waiver expressed or implied by any Party in respect of any breach or default by another Party in the performance by such other of its obligations hereunder shall be deemed or construed to be a consent to or a waiver of any other breach or default.

**10.4** The Parties shall promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance and do such further and other acts which may be reasonably necessary or advisable to carry out fully the intent of this Agreement and to record with the Peruvian Public Registry appropriate RWMC-Peru's title to the Concessions. All notarial and registration costs shall be borne by RWMC-Peru.

**10.5** This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

**10.6** This Agreement is executed in English and shall formally be translated by both Parties into a mutually acceptable Spanish version, each in duplicate and each initialized on each page, for the purposes of registration in Peru only. The English version is the governing and binding document and in the event of any conflict between the terms of the Spanish and the English versions, the English version shall prevail.

**10.7** This Agreement is executed in four (4) counterparts, each duly signed by the parties. Each counterpart shall be deemed an original.

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

GEOLOGIX (PERU) S.A.

By: 

Printed name DUHAM CRAIG

Title PRESIDENT

RAE WALLACE PERU S.A.C.

By: 

Printed name Robert S. Friberg

Title General Manager

RAE-WALLACE MINING COMPANY

By: 

Printed name GEORGE COZZ

Title PRESIDENT/CEO

**EXHIBIT "A"  
CONCESSIONS**

**LISCAY PROJECT**

It is located in Yauyos province / Chincha, Lima region / Ica.

Nº	Name	Code	Hectares	Registral File	Allocated Value (US\$)
1	Liscay 1	01-05978-07	1000	12195849	13,889
2	Liscay 2	01-06190-07	1000	12195366	13,889
3	Liscay G3	01-06191-07	1000	12195746	13,889
4	Liscay 4	01-06230-07	1000	12195717	13,889
5	Liscay 5	01-06231-07	1000	12195697	13,889
6	Liscay 6	01-06431-07	1000	12437912	13,889
7	Liscay 7	01-06432-07	800	12196815	11,111
8	Liscay 8 1000	01-00399-08	1000	12438282	13,889
9	Liscay 9 1000	01-02352-08	1000	12437777	13,889
10	Liscay S 1 1000	01-00798-08	1000	12194178	13,889
11	Liscay S 2 1000	01-00800-08	1000	12190152	13,889
12	Liscay S 3 1000	01-00799-08	1000	12190327	13,889

**TORO BLANCO PROJECT**

It is located in Huaytara province, Huancavelica region.

Nº	Name	Code	Hectares	Registral File	Allocated Value (US\$)
1	Tambo Nuevo 15	01-02803-04	900	11048698	12,500

**CAYHUA PROJECT**

It is located in Huancayo province, Junín region.

Nº	Name	Code	Hectares	Registral File	Allocated Value (US\$)
1	Tambo Nuevo 11	01-00443-04	400	11028687	5,556

**LACHOC PROJECT**

It is located in Huancavelica province, Huancavelica region.

Nº	Name	Code	Hectares	Registral File	Allocated Value (US\$)
1	Lachoc	01-01132-07	1000	11111717	13,889



2	Los Osos 2006	01-02150-06	600	11098035	8,333
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### LAGARTIJA PROJECT

It is located in Yauyos province, Lima region.

Nº	Name	Code	Hectares	Registral File	Allocated Value (US\$)
1	Lagartija 1	01-02097-06	1000	12139565	13,889
2	Los Lagartos 1 1000	01-01910-08	1000	12194143	13,889
3	Los Lagartos 2 1000	01-01911-08	1000		13,889

The registry without Registral File is pending.

### MIRKO PROJECT

It is located in Huaytara province, Huancavelica region.

Nº	Name	Code	Hectares	Registral File	Allocated Value (US\$)
1	Hermosita	01-01353-07	1000	11111698	13,889
2	Hermosita 500	01-01484-07	500	11111712	6,943
3	Hermosita 1000	01-01485-07	1000	11111700	13,889

### SAN FELIPE PROJECT

It is located in Huaytara province, Huancavelica region.

Nº	Name	Code	Hectares	Registral File	Allocated Value (US\$)
1	Tambo Nuevo 4	01-00094-04	400	11028676	5,556

### SURA PROJECT

It is located in Huaytara province, Huancavelica region.

Nº	Name	Code	Hectares	Registral File	Allocated Value (US\$)
1	Tambo Nuevo 5	01-00106-04	1000	11028837	13,889
2	Tambo Nuevo 6	01-00107-04	500	11028675	6,943
3	Tambo Nuevo 13	01-00920-04	400	11111690	5,556

## EXHIBIT B

### GEOLOGIX (PERU) SA

#### FILES MAPS DATA

PAPER FILES, MAPS, NOTEBOOKS, SAMPLE RECORDS, ASSAY SHEETS, DRILL LOGS IN LIMA OFFICE ASSOCIATED WITH THE PROPERTIES AND CONCESSIONS LISTED ON EXHIBIT A AND PROGRAM REFERRED TO AS THE GEOLOGIX-NEWMONT 'ALLIANCE'

DIGITAL DATA STORED ON COMPUTERS IN THE LIMA OFFICE INCLUDING 120GB OF DATA ON AN EXTERNAL HARD DRIVE RELATING TO PROPERTIES AND CONCESSIONS LISTED ON EXHIBIT A

#### DIVERSE EQUIPMENT

SATELLITAL TELEPHONE  
KITCHEN  
T.V. SONY COLOR  
DVD REPRODUCOR  
GAS HEATER  
DRYER MACHINE  
WASHING MACHINE  
REFRIGERATOR ELECTROLUX  
FRIGIDER ELECTROLUX  
T.V. MIRAY COLOR  
WASHING MACHINE FRIGIDAIRE  
DRYER MACHINE FRIGIDAIRE  
REFRIGERATOR LG  
SATELLITAL TELEPHONE QUALCOMM GSP 1600 TRIMODAL - RECONNAISSANCE  
KITCHEN SURGE  
WASHING MACHINE  
FAX MACHINE  
GPS - MINEX  
DIGITAL CAMMERA  
DIGITAL CAMMERA  
DIGITAL CAMMERA - RECONN  
DIGITAL CAMMERA - RECONN  
DIGITAL CAMMERA - RECONN  
GPS GARMIN MOD.E-TREX EURO - RECON  
GPS GARMIN MOD.E-TREX EURO - RECON  
SATELLITE PHONE IRIDIUM 9505A CC - RECON  
SATELLITE PHONE IRIDIUM 9505A CC - RECON  
SATELLITE PHONE IRIDIUM 9505A CC - RECON  
GPS GARMIN MOD.FORETREX - RECON

#### MACHINERY AND EQUIPMENT

CONTAINER  
CONTAINER  
GENERATOR HONDA EU 101 SP0 - RECONNAISSANCE  
CORE SPLITTER HYDRASPLIT  
GENERATOR HONDA EU 101 SP0 - RECONNAISSANCE  
GENERATOR HONDA EU 101 SP0 - RECONNAISSANCE  
GENERATOR HONDA EU 101 SP0 - RECONNAISSANCE  
GENERATOR HONDA EU 101 SP0  
MULTIMEDIA PROJECTOR

#### TRANSPORTS

MOTORCYCLES 4SH112528  
MOTORCYCLES 4SH112528  
MOTORCYCLES 4SH112052  
PICK UP TRUCK TOYOTA - RECONNAISSANCE

#### COMPUTER EQUIPMENT

COMPUTER  
BURNER IBM  
PRINTER  
COMPUTER  
PRINTER  
COMPUTER  
COMPUTER - RECONNAISSANCE  
PRINTER - ABS COMPUTER  
SCANNER HP-G2710 SERIE CN77YA5121  
PRINTER HP-D-2480  
COMPUTER ADMINISTRATION  
COMPUTER LISCAY  
COMPUTER ACCOUNTING  
COMPUTER ACCOUNTING

TOTAL FIXED ASSETS - END OF LIS