

AGENCY AGREEMENT

September 13, 2011

Red Ore Gold Inc.
2746 St. Joseph Blvd., Suite 100
Orleans, Ontario K1C 1G5

Attention: Robin Dow, Chief Executive Officer

Dear Sir:

PI Financial Corp. (the "**Agent**") hereby agrees to offer for purchase and sale on a "commercially reasonable efforts" agency basis and Red Ore Gold Inc. (the "**Corporation**") agrees to issue and sell through the Agent, a minimum of 5,006,500 units and a maximum of up to 10,000,000 units of the Corporation ("**Offered Unit**") at a price of \$0.30 per Offered Unit (the "**Offering Price**"). Each Offered Unit shall consist of one common share without par value of the Corporation ("**Offered Share**") and one transferable common share purchase warrant ("**Warrant**"). Each Warrant may be exercised by the holder to acquire one common share without par value of the Corporation ("**Warrant Share**") at a price of \$0.40 per Warrant Share at any time up to 4:00 p.m. (Vancouver time) on the date that is two years following the Closing Date, subject to adjustment in accordance with the terms of the Warrant Indenture.

The Corporation also hereby grants the Agent the option (the "**Over-Allotment Option**") for the purposes of covering the Agent's "over-allocation position" (as that term is defined in National Instrument 41-101 – *General Prospectus Requirements*), which may be exercised in whole or in part at the Agent's sole discretion, to acquire: (i) up to an additional 1,500,000 units of the Corporation (the "**Over-Allotment Units**") at the Offering Price; (ii) up to an additional 1,500,000 Additional Warrants (as defined herein) at the Additional Warrant Price (as defined herein); or (iii) any combination of Over-Allotment Units at the Offering Price and Additional Warrants at the Additional Warrant Price, provided that the aggregate number of Over-Allotment Shares (as defined herein) does not exceed 1,500,000 and the aggregate number of Additional Warrants does not exceed 1,500,000 (assuming completion of the maximum Offering). Each Over-Allotment Unit is comprised of one common share without par value of the Corporation (each an "**Over-Allotment Share**") and one transferable common share purchase warrant ("**Over-Allotment Warrant**"). Each Over-Allotment Warrant may be exercised by the holder to acquire one common share without par value of the Corporation ("**Over-Allotment Warrant Share**") at a price of \$0.40 per Over-Allotment Warrant Share at any time up to 4:00 p.m. (Vancouver time) on the date that is two years following the Closing Date. Each Additional Warrant may be exercised by the holder to acquire one common share without par value of the Corporation ("**Additional Warrant Share**") at a price of \$0.40 per Additional Warrant Share at any time up to 4:00 p.m. (Vancouver time) on the date that is two years following the Closing Date. The Over-Allotment Option may be exercised at any time up to 5:00 p.m. (Vancouver time) on the date that is 30 days following the Closing Date. The Corporation and the Agent agree that the securities comprising the Over-Allotment Option may not be offered or sold to, or for the account or benefit of, persons in the United States (as hereinafter defined) or U.S. Persons (as hereinafter defined).

The offering of the Offered Units by the Corporation described in this Agreement is hereinafter referred to as the “**Offering**” and, unless otherwise required by the context, references to the “**Offering**” shall include the offering of Over-Allotment Units and / or Additional Warrants pursuant to the Over-Allotment Option, references to the “**Offered Units**” shall include the Over-Allotment Units, references to the “**Offered Shares**” shall include the Over-Allotment Shares, references to the “**Warrants**” shall include the Over-Allotment Warrants and / or Additional Warrants and, references to the “**Warrant Shares**” shall include the Over-Allotment Warrant Shares and / or Additional Warrant Shares. The net proceeds of the Offering to the Corporation shall be used by the Corporation substantially in accordance with the disclosure set out under “Use of Proceeds” in the final Prospectus (as hereinafter defined). The Agent and the Corporation acknowledge that the schedules hereto form part of this Agreement.

In consideration of the Agent’s services to be rendered in connection with the Offering, the Corporation shall: (a) pay to the Agent on the closing of the Offering a cash fee (the “**Agent’s Commission**”) in an amount equal to 10% of the gross proceeds received by the Corporation from the issue and sale of the Offered Units, payable in cash or units of the Corporation (“**Commission Units**”) at a deemed price per Commission Unit equal to the Offering Price, or any combination thereof at the election of the Agent. Each Commission Unit shall consist of one common share without par value of the Corporation (“**Commission Unit Share**”) and one non-transferable common share purchase warrant (“**Commission Unit Warrant**”). Each Commission Unit Warrant shall be exercisable to acquire one common share in the capital of the Corporation (“**Commission Unit Warrant Share**”) for a period of two years from the Closing Date at a price of \$0.40 per Commission Unit Warrant Share; (b) pay to the Agent a cash fee in the amount of \$25,000 (plus HST) for corporate finance services (the “**Corporate Finance Fee**”); and (c) issue to the Agent on the closing of the Offering, compensation options (“**Compensation Options**”) equal in number to 10% of the aggregate number of Offered Units sold under the Offering. Each Compensation Option shall be exercisable to acquire one common share in the capital of the Corporation (“**Compensation Option Share**”) at any time up to 4:00 pm (Vancouver time) on the date that is two years following the Closing Date at a price of \$0.30 per Compensation Option Share.

The Offering shall take place in the Qualifying Jurisdictions (as hereinafter defined) and in the United States, provided however that offers and sales of Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons shall be made only on a private placement basis to Accredited Investors (as hereinafter defined) in accordance with applicable United States federal and state securities laws, the U.S. Preliminary Placement Memorandum (as hereinafter defined) and U.S. Placement Memorandum (as hereinafter defined).). All offers and sales under this Agreement shall be made in accordance with the provisions of Schedule A to this Agreement. The Offering may also take place in such other jurisdictions as may be agreed upon by the Corporation and the Agent.

The additional terms and conditions of this Agreement are set forth below.

1. DEFINITIONS

In this Agreement:

- (a) “Accredited Investor” means an “accredited investor” that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D;
- (b) “Additional Warrant Price” means \$0.001 per Additional Warrant;

- (c) “Additional Warrants” means the transferable common share purchase warrants of the Corporation which may be issued upon exercise of the Over-Allotment Option, and if issued, will be issued separately from the Over-Allotment Units and will have the terms provided in this Agreement and the Warrant Indenture;
- (d) “Additional Warrant Shares” means any previously unissued common shares in the capital of the Corporation that may be issued on exercise of the Additional Warrants;
- (e) “Agent’s Commission” means the commission, payable in whole or in part in cash or through the issuance of Commission Units, at the election of the Agent, which will be paid to the Agent as part of the Agent’s Fee and which has the terms provided in this Agreement;
- (f) “Agent’s Fee” means the fee which is set out in Section 9.1 of this Agreement and which is payable by the Corporation to the Agent in consideration of the services performed by the Agent under this Agreement;
- (g) “Agreement” means this agreement and any amendment thereof;
- (h) “Agent’s Securities” means the Commission Units, the Commission Unit Shares, the Commission Unit Warrants, the Commission Unit Warrant Shares, the Compensation Options and the Compensation Option Shares;
- (i) “Applicable Legislation” means the securities acts in the Qualifying Jurisdictions, the regulations and rules made thereunder, and all administrative policy statements, blanket orders, notices, directions and rulings issued by the Commissions;
- (j) “BCE” means Bottle Creek Exploration LLC;
- (k) “Bottle Creek Project” has the meaning defined in the Prospectus;
- (l) “Business Day” means any day other than a Saturday, Sunday or any statutory or civic holiday in the City of Vancouver or Toronto;
- (m) “Certificates” means the certificates representing the Offered Shares (whether in physical or electronic format), Warrants (whether in physical or electronic format), Compensation Options and, if applicable Commission Unit Shares and Commission Unit Warrants;
- (n) “Closing” means the closing of the purchase and sale, and the issuance by the Corporation of the Offered Units, not including the Over-Allotment Units and / or Additional Warrants;
- (o) “Closing Date” means the day on which the Closing will occur, being such date as may be agreed to by the Corporation and the Agent;
- (p) “Closing Time” means 8:00 a.m. (Vancouver time) on the Closing Date, or such other time as the Corporation and the Agent may agree;
- (q) “Commission Units” means the units of the Corporation to be issued by the Corporation, at the election of the Agent, in satisfaction of, or in partial

satisfaction of, the Agent's Commission and which have the terms provided in this Agreement;

- (r) "Commission Unit Shares" means the common shares without par value in the capital of the Corporation that may be issued as part of the Commission Units;
- (s) "Commission Unit Warrants" means the non-transferable common share purchase warrants of the Corporation that will be issued as part of the Commission Units and having the terms provided in this Agreement and the certificates representing such common share purchase warrants;
- (t) "Commission Unit Warrant Shares" means the common shares without par value in the capital of the Corporation that will be issued on exercise of the Commission Unit Warrants;
- (u) "Commissions" means the securities commissions or equivalent regulatory authorities in the Qualifying Jurisdictions;
- (v) "Common Share" means a common share without par value in the capital of the Corporation;
- (w) "Compensation Options" means the non-transferable options to acquire common shares of the Corporation which will be issued to the Agent and which have the terms provided in this Agreement and the certificates representing such options;
- (x) "Compensation Option Shares" means any previously unissued common shares in the capital of the Corporation that will be issued on exercise of the Compensation Options;
- (y) "Corporate Finance Fee" means the cash fee which is set out in Section 9.1 of this Agreement and which is payable by the Corporation to the Agent as part of the Agent's Fee in consideration of the corporate finance services performed by the Agent under this Agreement;
- (z) "Distribution" means the distribution or sale of the Offered Shares and Warrants comprising the Offered Units pursuant to this Agreement;
- (aa) "Effective Date" means the date on which the Final Receipt is issued;
- (bb) "Exchange" means the TSX Venture Exchange;
- (cc) "Final Receipt" means the receipt issued for the final Prospectus by the Principal Regulator pursuant to NP 11-202, representing a final receipt for the Prospectus in each of the Qualifying Jurisdictions;
- (dd) "ITA" means the *Income Tax Act* (Canada), together with all the regulations promulgated thereunder, all as amended from time to time;
- (ee) "Material Change" has the meaning defined in the Applicable Legislation;
- (ff) "Material Fact" has the meaning defined in the Applicable Legislation;
- (gg) "Misrepresentation" has the meaning defined in the Applicable Legislation;

- (hh) “NP 11-202” means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;
- (ii) “Offered Securities” means the Offered Units, Offered Shares, Warrants, Over-Allotment Units, Over-Allotment Shares, Over-Allotment Warrants and Additional Warrants;
- (jj) “Offered Shares” means the common shares without par value in the capital of the Corporation to be offered by the Corporation as part of the Offered Units pursuant to this Agreement;
- (kk) “Offered Units” means the units of the Corporation to be offered by the Corporation, which have the terms provided in this Agreement;
- (ll) “Offering” means the offering of the Offered Units under the Prospectus;
- (mm) “Offering Date” means the day chosen by the Agent to contract the purchases of Offered Units by the purchasers under the Offering;
- (nn) “Offering Price” means \$0.30 per Offered Unit;
- (oo) “Option Exercise Notice” means the written notice which may be delivered to the Corporation by the Agent specifying, among other things, the number of Over-Allotment Units and / or Additional Warrants which the Agent wish to purchase pursuant to the exercise of the Over-Allotment Option and making a representation as to the amount of the over-allocation position;
- (pp) “Over-Allotment Certificates” means the certificates representing the Over-Allotment Shares (whether in physical or electronic format), Over-Allotment Warrants (whether in physical or electronic format), Additional Warrants (whether in physical or electronic format), Compensation Options and, if applicable Commission Unit Shares and Commission Unit Warrants issued in connection with the exercise of the Over-Allotment Option;
- (qq) “Over-Allotment Proceeds” means the gross proceeds with respect to the Over-Allotment Units and / or Additional Warrants issued upon exercise of the Over-Allotment Option, less:
 - (i) any Agent’s Commission payable in cash relating to the Over-Allotment Units and / or Additional Warrants, and
 - (ii) the expenses of the Agent in connection with the Offering incurred since the Closing;
- (rr) “Over-Allotment Option Closing” means the closing of the purchase and sale of the Over-Allotment Units and / or Additional Warrants pursuant to the exercise of the Over-Allotment Option;
- (ss) “Over-Allotment Option Closing Date” means the date on which the Over-Allotment Option Closing occurs;
- (tt) “Over-Allotment Option Closing Time” means 8:00 a.m. (Vancouver time) on the Over-Allotment Closing Date, or such other time as the Corporation and the Agent may agree;

- (uu) "Over-Allotment Units" means the units which will be issued pursuant to the exercise of the Over-Allotment Option;
- (vv) "Preliminary Receipt" means the receipt issued for the preliminary Prospectus by the Principal Regulator pursuant to NP 11-202;
- (ww) "Principal Regulator" means the British Columbia Securities Commission;
- (xx) "Proceeds" means the gross proceeds of the Offering to the Corporation, less:
 - (i) any Agent's Commission payable in cash (excluding any Agent's Commission payable in respect of Over-Allotment Units and / or Additional Warrants);
 - (ii) the Corporate Finance Fee; and
 - (iii) the expenses of the Agent in connection with the Offering incurred on or before the Closing, which have not been paid by the Corporation;
- (yy) "Prospectus" means the preliminary prospectus and the final prospectus filed or intended to be filed by the Corporation with the Regulatory Authorities in connection with the Offering and any amendments to the preliminary prospectus and final prospectus which may be filed with the Regulatory Authorities;
- (zz) "Qualified Compensation Securities" has the meaning defined in the Prospectus;
- (aaa) "Qualifying Jurisdictions" means the provinces of Ontario, British Columbia and Alberta;
- (bbb) "Regulation D" means Regulation D promulgated under the U.S. Securities Act;
- (ccc) "Regulation S" means Regulation S promulgated under the U.S. Securities Act;
- (ddd) "Regulatory Authorities" means the Commissions and the Exchange;
- (eee) "subsidiary" has the meaning defined in Section 1.1 of the *Securities Act* (British Columbia);
- (fff) "Technical Report" means the technical report on the Bottle Creek Project filed by the Corporation with the Regulatory Authorities;
- (ggg) "Underlying Securities" means the Warrant Shares, the Over-Allotment Warrant Shares and the Additional Warrant Shares;
- (hhh) "United States" or "U.S." means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (iii) "U.S. Affiliate" means, in the case of the Agent, its duly registered broker-dealer affiliates in the United States;
- (jjj) "U.S. Person" means a "U.S. person" as such term is defined in Regulation S;
- (kkk) "U.S. Preliminary Placement Memorandum" has the meaning given to it in Schedule A to this Agreement;

- (lll) "U.S. Placement Memorandum" has the meaning given to it in Schedule A to this Agreement;
- (mmm) "U.S. Securities Act" means the United States Securities Act of 1933, as amended;
- (nnn) "Warrants" means the transferable common share purchase warrants of the Corporation comprising part of the Offered Units and which have the terms provided in this Agreement and the Warrant Indenture;
- (ooo) "Warrant Indenture" means the indenture to be entered into between the Corporation and Capital Transfer Agency Inc. as warrant agent in respect of the Warrants; and
- (ppp) "Warrant Shares" means any common shares without par value in the capital of the Corporation that may be issued on exercise of the Warrants and which have the terms provided in this Agreement, the Warrant Indenture and the certificates representing such common share purchase warrants.

2. APPOINTMENT OF AGENT

- 2.1 The Corporation appoints the Agent as its exclusive agent and the Agent accepts the appointment and will act as the exclusive agent of the Corporation to offer the Offered Units for sale under the Prospectus at the Offering Price on a commercially reasonable efforts basis.
- 2.2 The Corporation grants the Agent the Over-Allotment Option to cover over-allotments and/or for market stabilization purposes.
- 2.3 It is agreed to by all parties that the Agent has the right, but not the obligation, to solicit and accept subscription for the sale of Over-Allotment Units and / or Additional Warrants pursuant to the Over-Allotment Option. The Corporation agrees to sell the Over-Allotment Units and / or Additional Warrants and deliver certificates representing the Over-Allotment Shares, Over-Allotment Warrants and / or Additional Warrants to the Agent at the Over-Allotment Option Closing.
- 2.4 The Over-Allotment Option shall be exercisable by the Agent, at any time and from time to time, until 5:00 p.m., Vancouver time, on the 30th day following the Closing Date by delivering to the Corporation the Option Exercise Notice at least two Business Days prior to the proposed Over-Allotment Option Closing Time to the Corporation, after which time the Over-Allotment Option shall be void and of no further force and effect.
- 2.5 In the event that, after the Closing Time and prior to the expiry of the Over-Allotment Option, the Corporation completes a transaction in which it subdivides, consolidates or reclassifies or otherwise changes the common shares of the Corporation, appropriate adjustments will be made to the price and number of Over-Allotment Units and / or Additional Warrants upon the exercise of the Over-Allotment Option such that the Agent is entitled to purchase the same number and type of securities that the Agent would have otherwise purchased had it exercised the Over-Allotment Option immediately prior to such transaction.

3. THE OFFERED UNITS

- 3.1 The Offered Units will consist of one Offered Share and one Warrant.
- 3.2 One whole Warrant will entitle the holder to purchase one Warrant Share.
- 3.3 The right to purchase Warrant Shares under the Warrants may be exercised at anytime up to 4:00 p.m. (Vancouver time) on the day which is two years from the Closing Date, at a price of \$0.40 per Warrant Share.
- 3.4 One whole Over-Allotment Warrant will entitle the holder to purchase one Over-Allotment Warrant Share.
- 3.5 The right to purchase Over-Allotment Warrant Shares under the Over-Allotment Warrants may be exercised at anytime up to 4:00 p.m. (Vancouver time) on the day which is two years from the Closing Date, at a price of \$0.40 per Over-Allotment Warrant Share.
- 3.6 One whole Additional Warrant will entitle the holder to purchase one Additional Warrant Share.
- 3.7 The right to purchase Additional Warrant Shares under the Additional Warrants may be exercised at anytime up to 4:00 p.m. (Vancouver time) on the day which is two years from the Closing Date, at a price of \$0.40 per Additional Warrant Share.
- 3.8 The Warrants, Over-Allotment Warrants and Additional Warrants will be transferable and will be subject to the terms of the Warrant Indenture.
- 3.9 The terms of the Warrant Indenture will include, among other things, provisions for the appropriate adjustment in the class, number and price of the Warrant Shares, Over-Allotment Warrant Shares and Additional Warrant Shares to be received upon exercise of outstanding Warrants, Over-Allotment Warrants and Additional Warrants, respectively, upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares, the payment of stock dividends or the amalgamation of the Corporation.
- 3.10 The Offered Shares, Warrants, Over-Allotment Shares, Over-Allotment Warrants and Additional Warrants will be issued and registered as directed by the Agent in such name or names as the Agent shall instruct the Corporation in writing not less than two Business Days prior to the Closing Time or the Over-Allotment Closing Date, as the case may be.
- 3.11 The Corporation will pay all fees and expenses payable to or incurred by its registrar and transfer agent or warrant agent, as the case may be, in connection with the preparation, delivery, certification and issuance of the Offered Shares, Warrant Shares, Over-Allotment Shares and Over-Allotment Warrant Shares.

4. MINIMUM SUBSCRIPTION

- 4.1 The Offering is subject to a minimum subscription of 5,006,500 Offered Units.
- 4.2 All funds received by the Agent for subscription will be held in trust by the Agent until the minimum subscription has been obtained.
- 4.3 Notwithstanding any other term of this Agreement, all subscription funds received by the Agent will be returned to the subscribers if the minimum subscription is not obtained by 5:00 p.m. (Vancouver time) on the Offering Date.

5. SALES INTO THE UNITED STATES AND TO U.S. PERSONS

It is understood and agreed that any offer of Offered Units to, or for the account or benefit of, persons in the United States or U.S. Person by the Agent shall be made by the U.S. Affiliate in accordance with the terms and conditions set out in Schedule A to this Agreement, and that the Offered Units will be offered to, or for the account or benefit of, persons in the United States or U.S. Persons by the U.S. Affiliate for sale by the Corporation directly to purchasers in the United States, who are U.S. Persons, or who are purchasing for the account or benefit of a U.S. Person or person in the United States, who are Accredited Investors.

6. FILING OF PROSPECTUS

- 6.1 The Corporation will cause the Prospectus to be filed with the Regulatory Authorities, will deliver all necessary copies of the Prospectus to the Regulatory Authorities and will use its best efforts to have the Prospectus accepted by the Regulatory Authorities.
- 6.2 The Corporation will cause commercial copies of the Prospectus to be delivered to the Agent without charge, in such quantities and in such cities as the Agent may request, as soon as possible after the filing of the Prospectus and such delivery will constitute the Corporation's consent to the Agent's use of such documents in connection with the Offering.
- 6.3 Delivery of the Prospectus and any amendment thereto shall constitute a representation and warranty by the Corporation to the Agent that all information and statements (except information and statements relating solely to the Agent) contained in the Prospectus and any amendment thereto are true and correct in all material respects at the time of delivery thereof and contain no Misrepresentations and constitute full, true and plain disclosure of all Material Facts relating to the Corporation and the Offered Units and that no Material Fact or material information has been omitted therefrom (except facts or information relating solely to the Agent) which is required to be stated therein or is necessary to make statements of information contained therein not misleading in light of the circumstances under which they were made. Unless the Agent is otherwise advised in writing by the Corporation prior to the Closing Time, such delivery shall also constitute the Corporation's consent to the Agent's use of the Prospectus, any amendment thereto and any other documents supplied to the Agent by the Corporation for the purpose of the sale of the Offered Units in compliance herewith and with the Applicable Legislation.

7. LISTING APPLICATION AND CONDUCT OF THE OFFERING

- 7.1 Prior to the Closing Date, the Corporation will make application to list the Offered Shares, Warrant Shares, Commission Unit Shares, Commission Unit Warrant Shares and Compensation Option Shares on the Exchange and conditional approval of such application must be obtained from the Exchange prior to Closing.
- 7.2 Following the Effective Date and after consulting with the Exchange, the Corporation and the Agent will set the Offering Date.
- 7.3 The Offering Date will be on or before the day which is:
- (a) 90 days after the Effective Date; or
 - (b) if a receipt is issued for an amendment to the final Prospectus, 90 days after the date of such receipt,

and in any event, no later than 180 days after the Effective Date.

- 7.4 Immediately after the Offering Date, the Corporation shall take all necessary steps to complete and file with the Exchange its application for listing with all other documentation required by the Exchange, to allow for the listing and posting for trading of the common shares of the Corporation on the Exchange, which is to occur on such day as agreed to by the Corporation and the Agent, where such day is to occur no earlier than 10 Business Days after the Offering Date unless otherwise agreed to by the Agent.
- 7.5 The Agent will advise the Corporation and its counsel in writing when the Distribution under the Prospectus is complete and will, within 30 days of the completion of the Distribution, provide a list of jurisdictions and offering amounts for the Distribution for filing by the Corporation with the Commissions.

8. OPINIONS AND CERTIFICATES

- 8.1 On the Effective Date, the Corporation will deliver the following documents to the Agent and its counsel in a form acceptable to them, acting reasonably:
- (a) a comfort letter from the auditor of the Corporation, dated as of the date of the final Prospectus and addressed to the Agent and its counsel, relating to the accuracy of the financial statements forming part of the final Prospectus and the accuracy of the financial, numerical and certain other information disclosed in the final Prospectus; and
 - (b) any other certificates, comfort letters or opinions in connection with any matter related to the Prospectus which are reasonably requested by the Agent or its counsel.
- 8.2 On the Closing Date, the Corporation will deliver the following documents to the Agent and its counsel in a form acceptable to them, acting reasonably:
- (a) evidence of the necessary approval of the Regulatory Authorities for the Offering;
 - (b) such legal opinions of Gowling Lafleur Henderson LLP, the Corporation's legal counsel, addressed to the Agent and its legal counsel and dated as of the Closing Date in form and content acceptable to the Agent, acting reasonably, and opinions of local counsel addressed to the Agent and its legal counsel as to the laws of any other Qualifying Jurisdiction, relying, as to matters of fact, on certificates of auditors, public officials and officers of the Corporation relating to the final Prospectus, the trade and distribution of the Offered Units without restriction, and to such other matters as the Agent may reasonably require;
 - (c) if applicable, legal opinions of Troutman Sanders LLP, the Corporation's U.S. securities legal counsel, addressed to the Agent dated as of the Closing Date in form and content acceptable to the Agent, acting reasonably, to the effect that the offer and sale of the Offered Units to persons in the United States and U.S. Persons is not required to be registered under the U.S. Securities Act;
 - (d) legal opinions of the Corporation's or BCE's U.S. corporate legal counsel, addressed to the Agent and its legal counsel dated as of the Closing Date in form and content acceptable to the Agent, acting reasonably, on corporate matters

relating to BCE and title matters relating to its interests in the Bottle Creek Project;

- (e) a certificate (the “**Officers' Certificate**”) of the Corporation signed by its Chief Executive Officer and Chief Financial Officer, addressed to the Agent and its legal counsel and dated as of the Closing Date in form and content acceptable to the Agent, acting reasonably, relating to the representations and warranties contained in this Agreement, certifying certain facts relating to the Corporation and its affairs and such other items considered reasonable for a transaction of this nature; and
- (f) any other certificates, comfort letters or opinions in connection with any matter related to the Offering which are reasonably requested by the Agent or its counsel.

8.3 On the Over-Allotment Closing Date, the Corporation will deliver the following documents to the Agent and its counsel in a form acceptable to them, acting reasonably:

- (a) a certificate of the Corporation, dated as of the Over-Allotment Closing Date and signed by its Chief Executive Officer and Chief Financial Officer relating to the representations and warranties contained in this Agreement, certifying certain facts relating to the Corporation and its affairs and such other items considered reasonable for a transaction of this nature (the “**Over-Allotment Officer's Certificate**”); and
- (b) any other certificates, comfort letters or opinions in connection with any matter related to the exercise of the Over-Allotment Option and issuance of Over-Allotment Units and / or Additional Warrants which are reasonably requested by the Agent or its counsel.

9. AGENT'S FEE

9.1 In consideration of the services performed by the Agent under this Agreement, the Corporation agrees to pay the Agent's Fee to the Agent as follows:

- (a) to pay the Agent's Commission in an amount equal to 10% of the gross proceeds received by the Corporation from the issue and sale of the Offered Units, payable in cash or Commission Units, or any combination thereof at the election of the Agent;
- (b) to pay to the Agent a Corporate Finance Fee in the amount of \$25,000 (plus HST) for corporate finance services of which the Corporation has paid \$12,500 (plus HST) to the Agent, receipt of which is acknowledged by the Agent; and
- (c) to issue to the Agent Compensation Options equal in number to 10% of the aggregate number of Offered Units sold under the Offering.

9.2 Each Commission Unit shall consist of one Commission Unit Share and one non-transferable Commission Unit Warrant.

- 9.3 Each Commission Unit Warrant shall be exercisable to acquire one Commission Unit Warrant Share”) for a period of two years from the Closing Date at a price of \$0.40 per Commission Unit Warrant Share.
- 9.4 Each Compensation Option shall be exercisable to acquire one Compensation Option Share for a period of two years from the Closing Date at a price of \$0.30 per Compensation Option Share.
- 9.5 The Commission Unit Warrants and Compensation Options will be represented by certificates and will be non-transferable.
- 9.6 The terms governing the Commission Unit Warrants and Compensation Options will include, among other things, provisions for the appropriate adjustment in the class, number and price of the Commission Unit Warrant Shares and Compensation Option Shares upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares, the payment of stock dividends or the amalgamation of the Corporation.
- 9.7 The issue of the Commission Unit Warrants and Compensation Options will not restrict or prevent the Corporation from obtaining any other financing, or from issuing additional securities or rights during the period within which the Commission Unit Warrants and Compensation Options are exercisable..
- 9.8 The Agent acknowledges that none of the Agent’s Securities have been registered under the U.S. Securities Act or the securities laws of any state of the United States. In connection with the issuance of the Agent’s Securities, the Agent represents, warrants and covenants that (i) it is acquiring the Agent’s Securities as principal for its own account and not for the benefit of any other person; (ii) it is not a U.S. Person and is not acquiring the Agent’s Securities in the United States, or on behalf of a U.S. Person or a person located in the United States; and (iii) this Agreement was executed and delivered outside the United States. The Agent acknowledges and agrees that the Commission Unit Warrants and Compensation Options may not be exercised in the United States or by or on behalf or for the benefit of a U.S. Person or a person in the United States, unless such exercise is not subject to registration under the U.S. Securities Act or the securities laws of any state of the United States. The Agent agrees that it will not engage in any Directed Selling Efforts (as defined in Schedule A) with respect to any Agent’s Securities, and will not offer or sell any Agent’s Securities in the United States unless in compliance with an exemption or an exclusion from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

10. CLOSING

- 10.1 The Closing will take place on the Closing Date at the Closing Time.
- 10.2 At the Closing Time, the Corporation will deliver the Certificates, directly or through its registrar and transfer agent, to the Agent against payment of the Proceeds.
- 10.3 If the Corporation has satisfied all of its obligations under this Agreement, at the Closing Time, the Agent will pay the Proceeds to the Corporation against delivery of the Certificates.
- 10.4 The obligation of the Agent to pay the Proceeds to the Corporation shall be subject to the following conditions precedent:

- (a) the Corporation shall have performed or complied with each covenant and obligation in all material respects herein provided on its part to be performed or complied with;
- (b) each of the representations and warranties of the Corporation herein shall continue to be true in all material respects, and the Officers' Certificate shall contain certification to that effect;
- (c) the common shares of the Corporation being listed on the Exchange;
- (d) the Corporation shall have, to the satisfaction of the Agent's counsel, taken or caused to be taken all steps and proceedings which may be requisite under the Applicable Legislation to qualify the Distribution of:
 - (i) the Offered Shares and Warrants to the public in the Qualifying Jurisdictions through registrants who have complied with the provisions of the Applicable Legislation; and
 - (ii) the Qualified Compensation Securities to the Agent or any member of its selling group;

including the filing and the obtaining of the Preliminary Receipt and the Final Receipt;

- (e) the completion by the Agent of its due diligence on the properties, management and business of the Corporation, including title to the Bottle Creek Project; and
- (f) receipt of all required regulatory approvals for, or acceptance of, the Offering.

11. OVER-ALLOTMENT CLOSING

- 11.1 The Over-Allotment Option Closing will take place on the Over-Allotment Option Closing Date.
- 11.2 At the Over-Allotment Option Closing Time, the Corporation will deliver the Over-Allotment Certificates, directly or through the Corporation's register and transfer agent, to the Agent against payment of the Over-Allotment Proceeds.
- 11.3 If the Corporation has satisfied all of its obligations under this Agreement pertaining to the exercise of the Over-Allotment Option, at the Over-Allotment Option Closing Time, the Agent will pay the Over-Allotment Proceeds to the Corporation against delivery of the Over-Allotment Certificates.
- 11.4 The obligation of the Agent to pay the Over-Allotment Proceeds shall be subject to the following conditions precedent:
 - (a) completion by the Agent of any additional due diligence after the Closing with respect to the Corporation to its reasonable satisfaction;
 - (b) the Corporation shall have performed or complied in all material aspects with each covenant and obligation herein provided on its part to be performed or complied with;

- (c) the representations and warranties of the Corporation herein shall continue to be true in all material respects, and the Over-Allotment Officers' Certificate shall contain certification to that effect; and
- (d) the Corporation shall have, to the satisfaction of the Agent's counsel, taken or caused to be taken all steps and proceedings which may be requisite under the Applicable Legislation to qualify the Distribution of:
 - (i) the Over-Allotment Shares and Over-Allotment Warrants and / or Additional Warrants to the public in the Qualifying Jurisdictions through registrants who have complied with the provisions of the Applicable Legislation; and
 - (ii) the Qualified Compensation Securities to the Agent or any member of its selling group.

12. MATERIAL CHANGES

- 12.1 If, after the Prospectus is filed with the Regulatory Authorities but before the conclusion of the Distribution, a Material Change or change in a Material Fact occurs in the affairs of the Corporation, the Corporation will:
- (a) notify the Agent immediately, in writing, with full particulars of the change;
 - (b) if required under the Applicable Legislation, file with the Regulatory Authorities as soon as practicable, and in any event no later than 10 days after the change occurs, an amendment to the Prospectus in a form acceptable to the Agent, acting reasonably, disclosing the Material Change; and
 - (c) provide as many copies of that amendment to the Agent as the Agent may reasonably request.
- 12.2 The Corporation shall in good faith discuss with the Agent any fact or change in circumstances (actual and anticipated, contemplated or threatened, whether financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to Section 12.1.

13. TERMINATION

- 13.1 The Agent may terminate its obligations under this Agreement by notice in writing to the Corporation at any time before the Closing if:
- (a) there is an event, accident, change in governmental law or regulation or other occurrence of any nature which, in the opinion of the Agent, seriously affects or will seriously affect the financial markets or the business of the Corporation or the ability of the Agent to perform its obligations under this Agreement or an investor's decision to purchase Offered Units;
 - (b) an adverse Material Change or change in a Material Fact relating to any of the Offered Units occurs or is announced by the Corporation;
 - (c) following a consideration of the history, business, products, property or affairs of the Corporation or its principals and promoters, or the state of the financial

markets in general, or the state of the market for the Corporation's securities in particular, or the likelihood of a substantial number of investors exercising their statutory rights to withdraw from a purchase of the Corporation's securities, the Agent determines, in its sole discretion, that it is not in the interest of investors to complete the Offering;

- (d) the Offered Units cannot, in the opinion of the Agent, be profitably marketed due to the state of the financial markets, or the market for the Offered Units in particular;
 - (e) an enquiry or investigation (whether formal or informal) in relation to the Corporation, or the Corporation's directors, officers or promoters, is commenced or threatened by an officer or official of any competent authority;
 - (f) any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the securities of the Corporation is made by a competent regulatory authority and that order is still in effect;
 - (g) the Corporation is in breach of any material term of this Agreement; or
 - (h) the Agent determines that any of the representations or warranties made by the Corporation in this Agreement is false or has become false.
- 13.2 If the Agent exercises its right to terminate this Agreement, then the Corporation will immediately issue a press release setting out particulars of the termination, provided that the Corporation is a reporting issuer (as defined under Applicable Legislation) at such time.
- 13.3 The Agent, at its sole discretion, may terminate this Agreement in writing if a Final Receipt is not issued within 120 days of the reference date of this Agreement.

14. CONSENT TO ISSUE SECURITIES

The Corporation agrees not to, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to, or announce any intention to, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional common shares or any securities convertible or exchangeable into common shares of the Corporation for a period of 120 days from the Closing Date without prior written consent of the Agent (such consent not to be unreasonably withheld) except in conjunction with the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements in place prior to the Closing Date.

15. WARRANTIES, REPRESENTATIONS AND COVENANTS

- 15.1 The Corporation warrants, represents and covenants to the Agent and acknowledges that the Agent is relying on such warranties, representations and covenants in connection with the Offering, that:
- (a) each of the Corporation and BCE is a valid and subsisting corporation duly incorporated and in good standing under the laws of the jurisdiction in which it is incorporated, continued or amalgamated;

- (b) each of the Corporation and BCE is duly registered and licensed to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that jurisdiction and is not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document;
- (c) the Corporation has full corporate power and authority to carry on its business as now carried on by it and to undertake the Offering and issue the Offered Shares, Warrants, Commission Unit Shares, Commission Unit Warrants and Compensation Options and this Agreement and the Warrant Indenture have been, or will be by the Closing, duly authorized by all necessary corporate action on the part of the Corporation;
- (d) all of the material transactions of the Corporation have been promptly and properly recorded or filed in its books or records and that its minute books or records contain all records of the meetings and proceedings of its directors, shareholders, and other committees, if any, since inception;
- (e) the authorized capital of the Corporation is as disclosed in the Prospectus and the issued and outstanding common shares of the Corporation are fully paid and non-assessable and, except as disclosed in the Prospectus, no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of the Corporation or BCE or any other security convertible into or exchangeable for any such shares, or to require the Corporation or BCE to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
- (f) all of the securities of BCE have been validly issued and other than as disclosed in the Prospectus no person, firm or corporation has any agreement or option, or right or privilege (whether pre-emptive or contractual), capable of becoming an agreement (including convertible securities) for the purchase, subscription or issuance of any membership interests in the BCE;
- (g) the Corporation is the beneficial owner of the securities in the capital of BCE as disclosed in the Prospectus, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and there are no other beneficial owners of the securities in the capital of BCE other than as disclosed in the Prospectus;
- (h) the Corporation will reserve or set aside sufficient common shares in its treasury to issue the Offered Shares, Warrant Shares, Commission Unit Shares, Commission Unit Warrant Shares and Compensation Option Shares and all such common shares upon full payment therefor, will be duly and validly issued as fully paid and non-assessable;
- (i) apart from BCE, the Corporation has no subsidiaries and has no investment or proposed investment in any other entity that would be material to the business or affairs of the Corporation;
- (j) the Corporation is the legal and beneficial owner of and has good and marketable title to the properties, business and assets or the interests in the properties, business or assets referred to in the Prospectus; all agreements by

which the Corporation holds an interest in such properties, business or assets are in good standing according to their terms; and such properties are in good standing under the applicable laws of the jurisdictions in which they are situated and to knowledge of the Corporation all filings and work commitments required to maintain such properties in good standing have been properly recorded and filed in a timely manner with the appropriate regulatory body and there are no mortgages, liens, charges, encumbrances or any other interests in or on such properties;

- (k) the Prospectus will contain full, true and plain disclosure of all Material Facts in relation to the Corporation, the Corporation's business and its securities, will contain no Misrepresentations, will be accurate in all material respects and will omit no fact, the omission of which will make such representations misleading or incorrect;
- (l) the financial statements of the Corporation which form part of the Prospectus have been prepared in accordance with International Financial Reporting Standards, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Corporation as at the date of the financial statements and there have been no adverse Material Changes in the financial position of the Corporation since the date thereof, and the business of the Corporation has been carried on in the usual and ordinary course consistent with past practice except as fully and plainly disclosed in the Prospectus;
- (m) the auditors of the Corporation who audited the financial statements of the Corporation for the most recent financial year-end and who provided their audit report thereon are independent public accountants as required under Applicable Legislation and there has never been a reportable event (within the meaning of National Instrument 51-102) with the present auditors of the Corporation;
- (n) each of the Corporation and BCE has complied and will comply fully with the requirements of all applicable corporate and securities laws and administrative policies and directions, including, without limitation, Applicable Legislation and its regulations and the *Business Corporations Act* (British Columbia) in relation to the issue and trading of its securities and in all matters relating to the Offering;
- (o) each of the Corporation and BCE is in compliance with all applicable laws, regulations and statutes (including all environmental laws and regulations) in the jurisdictions in which it carries on business and which may materially affect the Corporation or BCE, has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations and statutes, and are not aware of any pending change or contemplated change to any applicable law or regulation or governmental position that would materially affect the business of the Corporation or BCE or the business or legal environment under which the Corporation or BCE operate;
- (p) each of the Corporation and BCE has not caused or permitted the release, in any manner whatsoever, of any pollutants, contaminants, chemicals or industrial toxic or hazardous waste or substances (collectively, the "**Hazardous Substances**") on or from any of their properties or assets nor have they received any notice that they are potentially responsible for a clean-up site or corrective action under

any applicable laws, statutes, ordinances, by-laws, regulations, or any orders, directions or decisions rendered by any government, ministry, department or administrative regulatory agency relating to the protection of the environment, occupational health and safety or otherwise relating to dealing with Hazardous Substances;

- (q) each of the Corporation and BCE has all licences, permits, approvals, consents, certificates, registrations and other authorizations (collectively the “**Environmental Permits**”) under all applicable environmental laws and regulations necessary for the operation of the businesses carried on or currently proposed to be carried on by the Corporation or BCE and each Environmental Permit is valid, subsisting and in good standing and the Corporation and BCE are not in material default or breach of any Environmental Permit, and to the best of the knowledge of the Corporation, no proceeding is pending or threatened to revoke or limit any Environmental Permit;
- (r) all operations on the properties of the Corporation and BCE have been conducted and are currently conducted in all material respects in accordance with good engineering practices and all applicable material workers’ compensation, and health, safety and workplace laws, regulations and policies, except as would not reasonably be expected to have a material adverse effect on the Corporation;
- (s) the issue and sale of the Offered Units by the Corporation and the entering into of this Agreement and the Warrant Indenture by the Corporation does not and will not conflict with, and does not and will not result in a breach of, or constitute a default under (A) any statute, rule or regulation applicable to the Corporation including, without limitation, the Applicable Legislation; (B) the constating documents, articles or resolutions of the Corporation which are in effect at the date hereof; (C) any agreement, debt instrument, mortgage, note, indenture, instrument, lease or other document to which the Corporation is a party or by which it is bound; or (D) any judgment, decree or order binding the Corporation or the property or assets of the Corporation;
- (t) neither the Corporation nor BCE is a party to any actions, suits or proceedings which could materially affect its business or financial condition, and, to the knowledge of the Corporation, no such actions, suits or proceedings are contemplated or have been threatened;
- (u) there are no judgments against the Corporation or BCE which are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation is subject;
- (v) there is not presently, and will not be until the conclusion of the Distribution, any Material Change or change in any Material Fact relating to the Corporation which has not been or will not be fully disclosed in the Prospectus;
- (w) no order ceasing, halting or suspending trading in securities of the Corporation nor prohibiting the sale of such securities has been issued to and is outstanding against the Corporation or, to the knowledge of the Corporation, ceasing, halting or suspending trading by the directors, officers or promoters of the Corporation, or any one of them, and, to the knowledge of the Corporation, no investigations or proceedings for such purposes are pending or threatened;

- (x) since the filing of the preliminary Prospectus, the Corporation has complied with all requirements of National Instrument 43-101, including but not limited to the preparation and filing of technical reports;
- (y) the Corporation made available to the authors of the Technical Report, prior to the issuance of such report, for the purpose of preparing the Technical Report all information requested, and to the knowledge and belief of the Corporation, no such information contained any misrepresentation as at the relevant time the relevant information was made available and there have been no adverse Material Change to such information;
- (z) to the best of the Corporation's knowledge, the Technical Report accurately and completely sets forth all material facts relating to the Bottle Creek Project as at the date of such report and there has been no adverse Material Change to such information;
- (aa) the Corporation has filed all federal, provincial, local and foreign tax returns which are required to be filed, or have received extensions thereof, and have paid all taxes required to be paid by them and any other assessment, fine or penalty levied against them, or any amounts due and payable to any governmental authority, to the extent that any of the foregoing is due and payable;
- (bb) the Corporation has established on their books and records reserves which are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Corporation except for taxes not yet due, and there are no audits of any of the tax returns of the Corporation which are known by the Corporation's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency which would have a material adverse effect on the properties, business or assets of the Corporation;
- (cc) the Corporation does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is used in the *Income Tax Act* (Canada));
- (dd) the Corporation has not taken any action which would be reasonably expected to result in the delisting or suspension of its common shares on or from the Exchange or on or from any stock exchange, market or trading or quotation facility on which its common shares will be listed or quoted and the Corporation shall comply, in all material respects, with the rules and regulations thereof;
- (ee) other than the Agent, no person, firm or corporation acting or purporting to act at the request of the Corporation is entitled to any brokerage, agency or finder's fee in connection with the transactions described herein;
- (ff) the operations of the Corporation are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering

Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened;

- (gg) the Corporation has not, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agents of any governmental agency, authority or instrumentality of any jurisdiction; or (ii) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Corporation and its operations, and will not use any portion of the Proceeds or Over-Allotment Proceeds, if applicable, in contravention of such legislation;
- (hh) the Corporation or, to the best knowledge of the Corporation, any director, officer, agent, employee, affiliate or person acting on behalf of the Corporation has not been or is not currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department (“OFAC”); and the Corporation will not directly or indirectly use any proceeds of the distribution of the Offered Units or lend, contribute or otherwise make available such proceeds to the Corporation or to any affiliated entity, joint venture partner or other person or entity, to finance any investments in, or make any payments to, any country or person targeted by any of the sanctions of the United States administered by OFAC;
- (ii) the Corporation will comply with all of covenants of the Corporation contained in the Warrant Indenture and will fulfill all obligations of the Corporation contained therein until each Warrant has been exercised thereunder or has expired, as applicable;
- (jj) Capital Transfer Agency Inc. at its office in Toronto, Ontario has, or will have on the Closing Date, been duly appointed as the warrant agent in respect of the Offered Warrants pursuant to the Warrant Indenture; and
- (kk) the warranties and representations in this Section 15.1 are true and correct and will remain so as of the conclusion of the Distribution under the Prospectus.

15.2 The Agent warrants and represents to the Corporation that:

- (a) it is a valid and subsisting corporation under the law of the jurisdiction in which it was incorporated, continued or amalgamated;
- (b) it is a member in good standing of the Exchange; and
- (c) it has complied with and will fully comply with the requirements of all Applicable Legislation, its rules and regulations and the by-laws and rules of the Exchange, in relation to trading in the Offered Units and all matters relating to the Offering.

16. INFORMATION

- 16.1 The Corporation shall make available or cause to be made available to the Agent and its counsel on a timely basis all information (financial or otherwise), data, documents, opinions, appraisals, valuations or other information relating to the Corporation and its properties, assets, liabilities, business and operations as the Agent may reasonably require or deem appropriate in carrying out its obligations hereunder and under this Agreement. The Corporation will arrange for the Agent to have such timely access to directors, officers, employees, independent auditors and other consultants and to information concerning all aspects of the Corporation and its properties, assets, liabilities, business and operations as the Agent may reasonably require or deem appropriate in carrying out their obligations under this Agreement. The Agent shall keep all such information, data and documents received or obtained from or on behalf of the Corporation in connection with the Offering, which is not publicly available, confidential and shall not disclose same except to its counsel, employees and agents as necessary to perform their mandate hereunder or as required by law or by a regulatory authority having jurisdiction, including but not limited to the Investment Industry Regulatory Organization of Canada, any applicable stock exchange or any self-regulatory organization.
- 16.2 The Agent shall be entitled to rely upon, and to assume without independent verification, the accuracy and completeness of all information furnished to it pursuant to the above Section 16.1 and all other information that is filed with the Regulatory Authorities pursuant to applicable continuous disclosure obligations and the Agent shall be under no obligation to verify independently any such information provided.
- 16.3 The Corporation will use the Proceeds in accordance with the disclosure set out under "Use of Proceeds" in the final Prospectus.
- 16.4 The Corporation will not circulate or file with the Regulatory Authorities, any Prospectus or public document relating to the Offering without the prior consultation with and approval of such document by the Agent and its legal counsel, acting reasonably, unless the Corporation is required to do so under Applicable Legislation, in which event, to the extent possible, any such document shall be drafted in consultation with the Agent.
- 16.5 Unless required to do so under Applicable Legislation or by Regulatory Authorities, the Corporation shall not announce the Offering in any kind of format other than information contained in press releases that may be issued immediately following filing of the Prospectus and the Closing Date, as applicable, and/or in standard regulatory reporting documents required under the rules of continuous disclosure. Within a reasonable period of time prior to (a) releasing any press release relating to the Offering or (b) making any advertisement, announcement or disclosure of the Offering, the Corporation shall submit a copy of any such advertisement, announcement or disclosure to the Agent for its review and comment prior to release.
- 16.6 Other than in respect of its news release dated July 12, 2011, the Corporation will include the following legend on each page of any press release made in respect of the Offering:

"Not for distribution to United States newswire services or for dissemination in the United States.";

- 16.7 Other than in respect of its news release dated July 12, 2011, the Corporation will include the following disclosure in the body of any press release made in respect of the Offering:

“The offered securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any applicable state securities laws and may not be offered or sold in the United States or to “U.S. persons”, as such term is defined in Regulation S under the U.S. Securities Act, absent such registration or an applicable exemption from such registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy the offered securities in any jurisdiction.”

17. EXPENSES OF AGENT

- 17.1 The Corporation will pay all of the expenses of the Offering and all the expenses reasonably incurred by the Agent in connection with the Offering including, without limitation, the fees of the solicitors for the Agent.
- 17.2 The Corporation will pay the expenses referred to in Section 17.1 even if the Prospectus and this Agreement are not accepted by the Regulatory Authorities or the transactions contemplated by this Agreement are not completed or this Agreement is terminated.
- 17.3 The Agent may, from time to time, render accounts to the Corporation for its expenses for payment on the dates set out in the accounts.
- 17.4 The Corporation authorizes the Agent to deduct their reasonable expenses in connection with the Offering from the Proceeds including expenses for which an account has not yet been rendered to the Corporation.

18. RIGHT OF FIRST REFUSAL

18.1 The Corporation will notify the Agent of the terms of any further brokered equity financing (or securities convertible into equity) that it requires or proposes to obtain during the 12 months following the Closing and the Agent will have the right of first refusal to provide any such financing.

18.2 The right of first refusal must be exercised by the Agent within 15 days following the receipt of the notice by notifying the Corporation that it will provide such financing on the terms set out in the notice.

18.3 If the Agent fails to give notice within the 15 days that it will provide such financing upon the terms set out in the notice, the Corporation will then be free to make other arrangements to obtain financing from another source on the same terms or on terms no less favourable to the Corporation, subject to obtaining the acceptance of the Regulatory Authorities.

18.4 The right of first refusal will not terminate if, on receipt of any notice from the Corporation under this Section, the Agent fails to exercise the right.

19. INDEMNITY

19.1 The Corporation and its affiliated companies, as the case may be, (collectively, the “Indemnitor”) hereby agrees to indemnify and hold the Agent, each of its subsidiaries or

affiliates, and each of its directors, officers, employees and agents (hereinafter referred to as the "Personnel"), harmless from and against any and all expenses, losses (other than loss of profits), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations, or liabilities, whether joint or several, and the reasonable fees and expenses of their counsel, that may be incurred in advising with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which the Agent and/or its Personnel may become subject or otherwise involved in any capacity under any statute or common law, or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance or professional services rendered to the Indemnitor by the Agent and its Personnel hereunder, or otherwise in connection with the matters referred to in this Agreement (including the aggregate amount paid in reasonable settlement of any such actions, suits, investigations, proceedings or claims that may be made against the Agent and/or its Personnel, provided that the Indemnitor has agreed to such settlement), provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (a) the Agent and/or its Personnel have been negligent or have committed wilful misconduct or any fraudulent act in the course of such performance; and
- (b) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the negligence, wilful misconduct or fraud referred to in 19.1(a).

19.2 Without limiting the generality of the foregoing, this indemnity shall apply to all reasonable expenses (including legal expenses), losses, claims and liabilities that the Agent may incur as a result of any action or litigation that may be threatened or brought against the Agent.

19.3 If for any reason (other than the occurrence of any of the events itemized in 19.1(a) and 19.1(b) above), the foregoing indemnification is unavailable to the Agent or any Personnel or insufficient to hold the Agent or any Personnel harmless as a result of such expense, loss, claim, damage or liability, then the Indemnitor and the Agent and such Personnel will contribute to such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agent or any Personnel on the other hand but also the relative fault of the Indemnitor and the Agent or any Personnel, as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the amount paid or payable by the Agent or any Personnel as a result of such expense, loss, claim, damage or liability and any excess of such amount over the amount of the fees received by the Agent hereunder.

19.4 The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or the Agent by any of their respective Personnel by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign (the "Authorities"), or in case the Authorities shall investigate the Indemnitor and/or the Agent, and/or any Personnel of the Agent shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by the Agent or any Personnel, then the Agent and such Personnel shall have the right to employ their own counsel in connection therewith provided the Agent and such Personnel act reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an

amount to reimburse the Agent for time spent by the Agent's Personnel in connection therewith) and out-of-pocket expenses incurred by their Personnel in connection therewith shall be paid by the Indemnitor as they occur.

19.5 Promptly after receipt of notice of the commencement of any legal proceeding against the Agent or any of the Agent's Personnel or after receipt of notice of the commencement or any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agent will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed. However, the failure by the Agent to notify the Indemnitor will not relieve the Indemnitor of its obligations to indemnify the Agent and/or any Personnel. The Indemnitor shall, on behalf of itself and the Agent and/or any Personnel, as applicable, be entitled to (but not required) to assume the defence of any suit brought to enforce such legal proceeding; provided, however, that the defence shall be conducted through legal counsel acceptable to the Agent and/or any Personnel, as applicable, acting reasonably, that no settlement of any such legal proceeding may be made by the Indemnitor without the prior written consent of the Agent and/or any Personnel, as applicable, and none of the Agent and/or any Personnel, as applicable, shall be liable for any settlement of any such legal proceeding unless it has consented in writing to such settlement, such consent not to be unreasonably withheld. The Agent and its Personnel shall have the right to appoint its or their own separate counsel at the Indemnitor's cost provided the Agent acts reasonably in selecting such counsel.

19.6 The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agent and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agent and any of the Personnel of the Agent. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of this Agreement.

20. ASSIGNMENT AND SELLING GROUP PARTICIPATION

20.1 Except as contemplated by the terms hereof, the Agent will not assign this Agreement or any of its rights under this Agreement or, with respect to the Offered Units, enter into any agreement in the nature of an option or a sub-option unless and until, for each intended transaction, the Agent have obtained the consent of the Corporation and notice has been given to and accepted by the Regulatory Authorities.

20.2 The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investments dealers, who may or who may not be offered part of the commissions to be received by the Agent pursuant to this Agreement. The Agent will use commercially reasonable efforts to ensure that members of the selling group, if any, comply with the terms of this Agreement.

21. NOTICE

21.1 Any notice to be given hereunder shall be in writing and may be given by mail, facsimile or by hand delivery and shall, in the case of notice to the Corporation, be addressed and faxed or delivered to:

Red Ore Gold Inc.
2746 St. Joseph Blvd., Suite 100
Orleans, Ontario K1C 1G5

Attention: Robin Dow
Fax No.: 613-834-8166

with a copy to:

Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600
Ottawa, Ontario K1P 1C3

Attention: Anthony Rasoulis
Fax No.: 613-563-9869

and in the case of the Agent, be addressed and faxed or delivered to:

PI Financial Corp.
Suite 1900, 666 Burrard Street
Vancouver, British Columbia, V6C 3N1

Attention: Jim Mustard
Fax No.: (604) 664-3660

with a copy to:

Miller Thomson LLP
Suite 1000 – 840 Howe Street
Vancouver, British Columbia, V6Z 2M1

Attention: Kevin Sorochan
Fax No.: (604) 643-1200

- 21.2 The Corporation and the Agent may change their respective addresses for notice by notice given in the manner referred to above.
- 21.3 If notice is sent by facsimile transmission or is delivered, it will be deemed to have been given at the time of transmission or delivery.
- 21.4 If notice is mailed, it will be deemed to have been received 48 hours following the date of mailing of the notice.
- 21.5 If there is an interruption in normal mail service due to strike, labour unrest or other cause at or prior to the time a notice is mailed the notice will be sent by facsimile transmission or will be delivered.

22. NO FIDUCIARY DUTY

The Corporation hereby acknowledges that (i) the transactions contemplated hereunder are arm's-length commercial transactions between the Corporation, on the one hand, and the Agent and any affiliate through which it may be acting, on the other, (ii) the Agent is acting as agent but not as fiduciary of the Corporation and (iii) the Corporation's engagement of the Agent in connection with the Offering and the process leading up to the Offering is as agent and not in any other capacity. Furthermore, the Corporation agrees that it is solely responsible for making

its own judgments in connection with the Offering (irrespective of whether the Agent has advised or is currently advising the Corporation on related or other matters). The Agent has not rendered advisory services beyond those, if any, required of an investment dealer by Applicable Legislation in respect of an offering of the nature contemplated by this Agreement and the Corporation agrees that it will not claim that the Agent has rendered advisory services beyond those, if any, required of an investment dealer by Applicable Legislation in respect of the Offering, or that the Agent owes a fiduciary or similar duty to the Corporation, in connection with such transaction or the process leading thereto.

23. TIME

Time is of the essence of this Agreement and will be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).

24. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations, warranties, covenants and indemnities of the parties contained in this Agreement will survive the closing of the purchase and sale of the Offered Units.

25. LANGUAGE

Wherever a singular or masculine expression is used in this Agreement, that expression is deemed to include the plural, feminine or the body corporate where required by the context.

26. CURRENCY

All sums of money expressed in and all amounts payable under this Agreement are expressed and payable in the lawful money of Canada.

27. ENUREMENT

This Agreement enures to the benefit of and is binding on the parties to this Agreement and their successors and permitted assigns.

28. HEADINGS

The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

29. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and supersedes any other previous agreement between the parties with respect to the Offering and there are no other terms, conditions, representations or warranties whether express, implied, oral or written by the Corporation or the Agent.

[This space is intentionally left blank.]

30. COUNTERPARTS

This Agreement may be executed in two or more counterparts and delivered by facsimile or other means of electronic transmission, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

31. LAW

This Agreement and its application and interpretation will be governed exclusively by the laws prevailing in British Columbia. The parties to this Agreement consent to the jurisdiction of the courts of British Columbia which courts shall have exclusive jurisdiction over any dispute of any kind arising out of or in connection with this Agreement.

This Agreement was executed and delivered as of the date given above.

RED ORE GOLD INC.

Per: "Robin Dow"
Authorized Signatory

PI FINANCIAL CORP.

Per: "Jim Mustard"
Authorized Signatory

SCHEDULE A

UNITED STATES SECURITIES LAW MATTERS

As used in this Schedule A, capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Agency Agreement to which this Schedule A is annexed and the following terms shall have the meanings indicated:

1. DEFINITIONS

For the purposes of this Schedule A, the following terms will have the meanings indicated:

- (a) “Accredited Investor” means an “accredited investor” that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D;
- (b) “affiliate” means “affiliate” as defined in Rule 405 under the U.S. Securities Act;
- (c) “Directed Selling Efforts” means “directed selling efforts” as defined in Regulation S;
- (d) “Foreign Issuer” means “foreign issuer” as that term is defined in Rule 902 of Regulation S;
- (e) “General Solicitation” and “General Advertising” means “general solicitation” and “general advertising,” as those terms are used in Rule 502(c) of Regulation D including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet, any broadcast over radio, television or the Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
- (f) “Substantial U.S. Market Interest” means “substantial U.S. market interest” as defined in Regulation S;
- (g) “U.S. Affiliate” means the United States registered broker-dealer affiliate of the Agent;
- (h) “U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended;
- (i) “U.S. Placement Memorandum” means the final U.S. private placement memorandum and subscription agreement describing the offering of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons pursuant to Rule 506 of Regulation D, in a form satisfactory to the Agent and the U.S. Affiliate, to which will be attached the Canadian final Prospectus; and
- (j) “U.S. Preliminary Placement Memorandum” means the preliminary U.S. private placement memorandum and subscription agreement describing the offering of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons pursuant to Rule 506 of Regulation D, in a form satisfactory to the Agent and the U.S. Affiliate, to which will be attached the Canadian preliminary Prospectus.

2. MATTERS RELATING TO THE CORPORATION

The Corporation represents, warrants and covenants that:

- (a) the Corporation is, and as of each date of the issuance of the Offered Securities will be, a Foreign Issuer and reasonably believes there is, and as of the date of each issuance of the Offered Securities there will be, no Substantial U.S. Market Interest with respect to any class of the Corporation's securities;
- (b) none of the Corporation, its affiliates or any person acting on its or their behalf (other than the Agent, the U.S. Affiliate, or any members of the banking and selling group formed by them (collectively, the "**Selling Firms**"), as to whom the Corporation makes no representation, warranty or covenant), has engaged or will engage in any Directed Selling Efforts with respect to the Offered Securities or has made or will make any offer to sell, solicitation of an offer to buy or sale of the Offered Securities to, or for the benefit or account of, a person in the United States or a U.S. Person except through the Agent in the manner provided for in Section 3 of this Schedule A;
- (c) the Corporation is not, and will not be as a result of the sale of the Offered Securities, registered or required to register as an "investment company" pursuant to the provisions of the United States Investment Company Act of 1940, as amended;
- (d) none of the Corporation, its affiliates or any person acting on its or their behalf (other than the Agent, the U.S. Affiliate, or any members of the Selling Firms, as to whom the Corporation makes no representation, warranty or covenant) has engaged or will engage in:
 - (i) any form of General Solicitation or General Advertising or any conduct involving a public offering within the meaning of Section 4(2) of the U.S. Securities Act in connection with any offer or sale of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons within the meaning of Section 4(2) of the U.S. Securities Act, or
 - (ii) any conduct in violation of Regulation M under the U.S. Exchange Act in connection with any offer or sale of the Offered Securities;
- (e) none of the Corporation, its affiliates or any person acting on its or their behalf (other than the Agent, the U.S. Affiliate, or any members of the Selling Firms, as to whom the Corporation makes no representation, warranty or covenant), has taken or will take any action that would cause either the exemption from registration under Rule 506 of Regulation D for the offer and sale of the Offered Units or the exclusion from registration under Regulation S for the offer and sale of the Offered Securities to be unavailable for the Offering;
- (f) none of the Corporation or any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining that person for failure to comply with Rule 503 of Regulation D;
- (g) the Corporation has not for a period beginning six months prior to the commencement of the offering of the Offered Units sold, offered for sale or

solicited any offer to buy any of its securities and the Corporation will not for a period ending six months following the last Closing or Over-Allotment Option Closing sell, offer for sale or solicit any offer to buy any of its securities, in a manner that would be integrated with the offer and sale of the Offered Units and would cause the exemption from registration set forth in Rule 506 of Regulation D to become unavailable with respect to the offer and sale of such securities to, or for the benefit or account of, persons in the United States or U.S. Persons;

- (h) if the Corporation or a purchaser in the United States determines that the Corporation is a “passive foreign investment company” within the meaning of Section 1297(a) of the United States Internal Revenue Code of 1986, as amended, during any calendar year following the purchase of the Offered Units by such purchaser, the Corporation shall provide to such purchaser, upon written request, all information that would be reasonably required for income tax reporting purposes to permit a United States securityholder to make the election to treat the Corporation as a “qualified electing fund” for the purposes of such Code;
- (i) the Corporation will, within prescribed time periods, prepare and file any forms or notices required to be filed under the U.S. Securities Act or applicable state securities laws in connection with the offer and sale of the Offered Units to, or for the benefit or account of, persons in the United States or U.S. Persons pursuant to this Schedule A;
- (j) none of the Corporation or any of its predecessors or affiliates has had the registration of a class of securities under the U.S. Exchange Act revoked by the United States Securities and Exchange Commission pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder; and
- (k) the Corporation is not obligated to register any class of securities under the U.S. Exchange Act with the United States Securities and Exchange Commission.

3. MATTERS RELATING TO THE AGENT

The Agent acknowledges that the Offered Securities and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or applicable state securities laws of the United States, and the Offered Securities may only be offered in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act or applicable state securities laws of the United States. Accordingly, the Agent, on behalf of itself and its affiliates, including the U.S. Affiliate, represents, warrants and covenants, to and with the Corporation that:

- (a) Except as provided in this Schedule A in relation to the offer of Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons, it has not offered and will not offer any Offered Securities except outside of the United States to non-U.S. Persons in “offshore transactions,” as such term is defined in Regulation S, in accordance with Rule 903 of Regulation S. Accordingly, except as permitted by subparagraphs (b) through (m) below, none of the Agent, its affiliates, including the U.S. Affiliate, or any person acting on its or their behalf:

- (i) has made or will make any offer to sell or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, any person in the United States or a U.S. Person;
 - (ii) has made or will make any sale of Offered Securities to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States, not a U.S. Person and not purchasing for the account or benefit of a person in the United States or a U.S. Person, or the Agent, the Agent's affiliate or person acting on its or their behalf reasonably believed that such purchaser was outside the United States, not a U.S. Person and not purchasing for the account or benefit of a person in the United States or U.S. Person; or
 - (iii) has engaged or will engage in any Directed Selling Efforts with respect to the Offered Securities;
- (b) none of the Agent, its affiliates or any person acting on its or their behalf has engaged or will engage in:
 - (i) any form of General Solicitation or General Advertising or any conduct involving a public offering within the meaning of Section 4(2) of the U.S. Securities Act in connection with its offers of the Offered Units to, or for the account of or benefit of, persons in the United States or U.S. Persons;
 - (ii) any conduct in violation of Regulation M under the U.S. Exchange Act in connection with its offers of the Offered Securities; or
 - (iii) any action that would cause the exemption from registration afforded by Rule 506 of Regulation D to be unavailable for offers and sales of the Offered Units or the exclusion from registration afforded by Regulation S to be unavailable for offers and sales of the Offered Securities;
- (c) all offers of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons have been or will be effected through its U.S. Affiliate, which on the dates of all such offers and subsequent sales by the Corporation was and will be duly registered as a broker-dealer under the U.S. Exchange Act and under all applicable state securities laws of the United States (except where exempted from the respective state's broker-dealer registration requirements) and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc., in accordance with all applicable United States federal and state securities laws (including applicable broker-dealer laws);
- (d) it agrees to deliver, through the U.S. Affiliate (as applicable):
 - (i) a copy of the U.S. Preliminary Placement Memorandum or the U.S. Placement Memorandum (if then available) to each person in the United States, each U.S. Person or each person acting for the account or benefit of a U.S. Person or person in the United States to whom it offers to sell or from whom it solicits any offer to buy the Offered Units; and
 - (ii) prior to the time of sale by the Corporation, a copy of the U.S. Placement Memorandum to each person in the United States, each U.S. Person or

each person acting for the account or benefit of a U.S. Person or person in the United States purchasing Offered Units from the Corporation;

- (e) any offer or solicitation of an offer to buy Offered Units that has been made or will be made to, or for the account or benefit of, a person in the United States or a U.S. Person was or will be made only by the Agent through the U.S. Affiliate for sale by the Corporation in compliance with Rule 506 of Regulation D, to a person it reasonably believes and does believe to be an Accredited Investor with whom the Agent or its U.S. Affiliate has a pre-existing business relationship who is acquiring the Offered Units for its own account or for the account or benefit of an Accredited Investor with respect to which it exercises sole investment discretion, and in transactions that are exempt from registration under and in compliance with applicable state securities laws;
- (f) all purchasers of the Offered Units who are buying such securities and the Underlying Securities pursuant to Rule 506 of Regulation D shall be informed that such securities and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or applicable state securities laws of the United States and are being offered and sold to such purchasers in reliance on an exemption from the registration requirements of the U.S. Securities Act provided by Rule 506 of Regulation D and similar exemptions under applicable state securities laws of the United States;
- (g) immediately prior to soliciting offerees in the United States, that are a U.S. Person or that are acting for the account or benefit of U.S. Persons or persons in the United States, and at the time of sale by the Corporation to any such persons, the Agent, its U.S. Affiliate and any person acting on its or their behalf will have reasonable grounds to believe and will believe that each such offeree was and is an Accredited Investor;
- (h) prior to completion of any sale of Offered Units in the United States or to, or for the account or benefit of, a U.S. person or person in the United States, the Agent will cause each purchaser in the United States, each purchaser offered such securities in the United States, each purchaser that is a U.S. Person and each purchaser that is purchasing for the account or benefit of a U.S. Person or a person in the United States to complete and deliver a U.S. subscription agreement for Accredited Investors in the form attached to the U.S. Placement Memorandum;
- (i) prior to the Closing Date, the Agent will provide the Corporation with a list of all purchasers of the Offered Units in the United States, all purchasers who were offered such securities in the United States, all purchasers that are a U.S. Person and all purchasers purchasing for the account or benefit of U.S. Persons or persons in the United States and the registration instructions for each such purchaser (it being understood that such securities sold to such purchaser will be individually certificated);
- (j) at the Closing, the Agent, together with its U.S. Affiliate, offering Offered Units in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States, will provide a certificate, substantially in the form of Exhibit 1 to this Schedule A relating to the manner of the offer of such securities in the United States and to, or for the account or benefit of, U.S. Persons or persons in the United States or it will be deemed to have represented and warranted to the

Corporation that it did not offer such securities in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States;

- (k) the Agent has not and will not enter into any other contractual arrangement for the distribution to, or for the account or benefit of, persons in the United States or U.S. Persons of the Offered Units except with its U.S. Affiliates any Selling Firms or with the prior written consent of the Corporation;
- (l) it shall require each Selling Firm to agree in writing, for the benefit of the Corporation, to comply with, and shall use commercially reasonable efforts to ensure that each Selling Firm complies with, the provisions of this Schedule A as if such provisions applied to such party; and
- (m) all offers and sales of securities comprising the Over-Allotment Option shall be made outside the United States to non-U.S. Persons.

4. GENERAL

The representations and warranties set forth in this Schedule A are made as of the date of this Agreement and as of the Closing Date and any Over-Allotment Option Closing Date, as applicable.

EXHIBIT 1 TO SCHEDULE A

In connection with the private placement to, or for the account or benefit of, persons in the United States or U.S. Persons of the securities of Red Ore Gold Inc. (the “**Corporation**”) pursuant to the agency agreement dated September 13, 2011 between the Corporation and the Agent named therein (the “**Agency Agreement**”), the undersigned do hereby certify in connection with the offer of such securities by them as follows:

1. the Offered Units have been offered in the United States only by the U.S. Affiliate, which is and was at the time of all offers of such securities duly registered as a broker-dealer under Section 15(b) of the U.S. Exchange Act, duly registered as a broker-dealer under the laws of each state of the United States where it made any offers of such securities (unless exempted from the respective state’s broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc. All offers of Offered Units in the United States have been and will be effected by the U.S. Affiliate in accordance with all U.S. federal and state broker-dealer requirements;
2. each offeree of Offered Units in the United States, who is a U.S. Person or who is acting for the account or benefit of a U.S. Person or person in the United States was provided with a copy of the U.S. Preliminary Placement Memorandum or (if then available) a copy of the U.S. Placement Memorandum, and each purchaser of Offered Units in the United States, who is a U.S. Person or who purchased for the account or benefit of a U.S. Person or person in the United States was provided with a copy of the U.S. Placement Memorandum prior to its purchase of such securities from the Corporation, and no other written material has been used by us in connection with the offering of such securities to, or for that account or benefit of, a person in the United States or a U.S. Person;
3. immediately prior to our transmitting such U.S. Preliminary Placement Memorandum and/or U.S. Placement Memorandum to offerees in the United States, that were U.S. Persons or that were acting for the account or benefit of U.S. Persons and persons in the United States, we had reasonable grounds to believe and did believe that each offeree was, and we continue to believe that each such offeree in the United States, that is a U.S. Person or that is purchasing for the account or benefit of a U.S. Person or a person in the United States purchasing such securities from the Corporation is an Accredited Investor;
4. no form of General Solicitation or General Advertising was used by us in connection with the offer of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons nor have we solicited offers for or offered to sell the Offered Units by any means involving a public offering within the meaning of Section 4(2) of the U.S. Securities Act;
5. we have caused (i) each purchaser of Offered Units in the United States or that is a U.S. Person, (ii) each purchaser of Offered Units offered such securities in the United States, and (iii) each purchaser purchasing for the account or benefit of a U.S. Person or person in the United States, to complete and deliver, prior to any sale by the Corporation of such securities, a U.S. subscription agreement in the form attached to the U.S. Placement Memorandum;

6. neither we nor any of our affiliates have taken or will take any action which would constitute a violation of Regulation M of the U.S. Exchange Act in connection with the offer or sale of the Offered Securities; and
7. the offer of the Offered Units has been conducted by us in accordance with the terms of the Agency Agreement, including Schedule A thereto. Unless otherwise defined, terms used in this certificate have the meanings given to them in the Agency Agreement, including Schedule A thereto.

DATED this ____ day of _____, 2011.

PI FINANCIAL CORP.

[NAME OF U.S. BROKER-DEALER
AFFILIATE]

By: _____
Name:
Title

By: _____
Name:
Title