

MANAGEMENT AGREEMENT

THIS AGREEMENT is dated effective Dec 1, _____, 2010 (the "Effective Date").

BETWEEN: **NORTHERN LIGHTS RESOURCES CORP.**, a company duly incorporated pursuant to the laws of British Columbia, and having its registered office at Suite 700 – 625 Howe Street, Vancouver, B.C.

(the "Company")

AND: **ALBERT (RICK) TIMCKE**, of 1059 Thorpe Avenue, Courtenay, B.C.

(the "Executive")

WITNESSES THAT WHEREAS:

- A. The Executive presently provides services to the Company as its President and Chief Executive Officer;
- B. The parties wish to update the terms of the Executive's engagement with the Company;

NOW THEREFORE in consideration of the premises and mutual covenants herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, the parties hereby covenant and agree with each other as follows:

1. EMPLOYMENT

1.1 **Position.** The Company agrees to continue to employ the Executive and the Executive agrees to continue to serve the Company as President and Chief Executive Officer.

1.3 **Term.** The term of this Agreement and engagement of the Executive shall be for an initial term of 36 months commencing the date of the Company's initial public offering being closed and accepted the BC Securities Commission and the Canadian National Stock Exchange (the "CNSX"), (the "Effective Date"), provided that this Agreement may be terminated by either party as provided herein. By mutual agreement during the term of this Agreement, the term hereof may be extended from time to time.

1.4 **Duties and Reporting.** The Executive shall report to and be directly responsible to the Board of Directors (the "Board") of the Company. The Executive will have the duties and authorities commonly associated with the Executive's office and such other duties reasonably related thereto as may be assigned by the Company from time to time, but in particular the Executive will be primarily responsible for strategic direction, corporate development, financing and public relations. The Executive shall not be entitled to enter into any material commitment, contractual or other, binding upon, or pledge the credit of the Company without the express prior written consent of at least two Directors of the Company.

2. COMPENSATION

2.1 **Annual Compensation.** The Company will pay the Executive a fee of \$1,500 (CDN) plus HST per month or \$ 18,000 (CDN) plus HST per year. For all purposes of this Agreement, "Annual Compensation" means the remuneration described in this section (subject to adjustment under section 2.2), and does not include any other payments such as bonuses, share options, or amounts of a similar nature.

2.2 **Compensation Review.** The Board (or its Compensation Committee) will review the Executives Annual Compensation from time to time, or as the Company financial situation changes and will make any adjustments it determines are reasonable in its opinion, taking into account, but shall not be limited to considering, the Executive's performance, the financial and operating success of the Company in the preceding 12 months and salaries for comparable positions in the marketplace. The Annual Compensation shall not be reduced, except by written agreement signed by the Executive.

2.3 **Incentive Plans.** The Executive shall be entitled to participate in any incentive programs for the Company's executives, including, without limiting the generality of the foregoing, share option plans, share purchase plans, stock appreciation rights, profit-sharing or bonus plans (collectively, the "Incentive Plans"). Participation shall be on the terms and conditions of such Incentive Plans as at the date hereof or as may from time to time be amended or implemented by the Board in its sole discretion. Except as hereafter specifically set out, the Executive acknowledges that his participation in these Incentive Plans will be to such extent, on such terms and in such amounts as the Board in its sole discretion may decide from time to time, and the Executive shall have no absolute entitlement to such participation. Any bonuses paid will generally be tied to performance of the Company, any significant financings, measured by increased value of the Company or its assets, attributable to the efforts of the Executive (either alone or in conjunction with others).

Any amounts, which the Executive may be granted under any Incentive Plan, shall not, for the purposes of this Agreement, be treated as salary. The Executive agrees that except in respect to share options or other incentive mechanisms which have been granted to the Executive, the Company may substitute, reduce, modify the terms of or eliminate its Incentive Plans from year to year in the sole discretion of the Board or to meet regulatory or Exchange requirements.

2.4 **Expenses.** The Executive shall be reimbursed by the Company for all out-of-pocket expenses actually, necessarily and properly incurred by the Executive in the discharge of his duties for the Company. The Executive agrees that such reimbursements shall be due only after the Executive has rendered an itemized expense account showing all monies actually expended on behalf of the Company and such other information as may be required and requested by the Company.

2.5 **Accelerated Vesting.** Notwithstanding the provision of any plan or agreement but subject to any required approval of the Exchange, which the Company will take all reasonable steps to promptly obtain, upon the announcement of any form of transaction which, if completed, would constitute a Change of Control (as defined herein), all granted share options of the Executive which have not vested shall be deemed to be fully vested and exercisable so as to permit the Executive to exercise such options and participate in the Change of Control transaction in respect of the shares thereby acquired.

3. ADDITIONAL OBLIGATIONS OF THE EXECUTIVE

3.1 **Time.** The Executive shall devote as much of his working time to the business and affairs of the Company and its subsidiaries as are reasonably necessary to perform his duties hereunder. The Company and the Board acknowledge that the Executive is engaged by other public companies in executive and director capacities, and consent to the same to the extent such activities do not interfere with any of the Executive's fiduciary or contractual duties to the Company.

3.2 **Other Permitted Activities.** While the Executive may become a director or officer of any other company without the prior consent of the Board, he shall not appropriate or divert any business opportunity coming to the Executive in his capacity as an Executive of the Company or otherwise in the course of the Company's business.

3.3 **Confidential.** The Executive will not, at any time, or in any manner, during the continuance of the Executive's employment hereunder, divulge any of the confidential information or secrets of the Company, including information about mineral properties in which the Company or its affiliates has or is proposing to acquire an interest (collectively, the "Confidential Information"), to any person or persons, except as required to carry out the Executive's duties.

4. TERMINATION

4.1 **Resignation.** The Executive may terminate this Agreement without Good Cause by giving the Company at least thirty (30) days advance written notice, in which event, subject to section 4.5, the Executive shall not be entitled to any severance payment, but shall be entitled to receive Annual Compensation earned to the date of termination and payment of any reimbursable expenses.

4.2 **Termination without Cause and Resignation for Good Cause.** The Company may terminate this Agreement and the employment of the Executive without cause at any time by notice in writing stating the last day of employment (the "Termination Date"), and the Executive may resign on two weeks' written notice (the end of such notice also being the "Termination Date") for "Good Cause" (as defined below), in which event the Company shall be obligated to pay the Executive, on the Termination Date, an amount equal to 12 months Annual Compensation at that date. The Executive may direct the Company to pay such amount in a lump sum or in installments on regular paydays of the Company

4.3 **Good Cause Defined:** As used herein, "Good Cause" means the occurrence of one of the following events without the Executive's express written consent:

- (a) the assignment by the Company to the Executive of any substantial new or different duties inconsistent with the Executive's positions, duties, responsibilities and status with the Company immediately prior to such change in assigned duties;
- (b) a material reduction in the Executive's responsibilities, except as a result of the Executive's death, disability or retirement;
- (c) a reduction by the Company in the Executive's Annual Compensation not agreed to by the Executive;
- (d) the failure by the Company to continue in effect, or a material change in the terms of the Executive's participation in benefits under any Incentive Plan, the effect of which would be to materially reduce the total value, in the aggregate, of the benefit to the Executive under the Incentive Plan;
- (e) any other events or circumstances which would constitute a constructive dismissal at common law.

4.4 **Termination for Cause.** The Company may at any time terminate the employment of the Executive and this Agreement for just cause. Without limiting the generality of the foregoing, just cause shall include:

- (a) an act of fraud or material dishonesty;
- (b) willful neglect of his duties to a material degree; and

- (c) if the conduct of the Executive is determined by the Board, which determination shall be made in a bona fide and reasonable manner, to be detrimental to the business of the Company, provided it will give the Executive 30 days advance notice to correct the conduct in question, and if the Executive persists in such conduct after being informed of the Board's determination.

In any such event, the Executive shall not be entitled to any compensation, but shall be entitled to receive the Annual Compensation earned to the date of termination and payment of any reimbursable expenses.

4.5 Resignation or Termination after a Change of Control. Notwithstanding any other provision in this Agreement, if within 12 months following a Change of Control of the Company (as defined below), the Employee's employment is terminated by the Company without Good Cause or, the Employee resigns with or without Good Cause at any time within 12 months after a Change of Control, in either case, he will receive as severance an amount equal to six months Annual Compensation as at that date.

4.6 Change of Control Defined: For *all* purposes of this Agreement, "Change of Control" means:

- (a) the acquisition, directly or indirectly, by any person or group of persons acting jointly or in concert, as such terms are defined in the *Securities Act*, British Columbia, of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such person or persons acting jointly or in concert, constitutes for the first time in the aggregate 25% or more of the outstanding common shares of the Company and such shareholding exceeds the collective shareholding of the current directors of the Company, excluding any directors acting in concert with the acquiring party; or
- (b) the removal, by extraordinary resolution of the shareholders of the Company, of more than 51% of the then incumbent Board of the Company, or the election of a majority of Board members to the Company's board who were not nominees of the Company's incumbent board at the time immediately preceding such election; or
- (c) consummation of a sale of all or substantially all of the assets of the Company; or
- (d) the consummation of a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as (a) (b) or (c) above.

4.7 No Mitigation. The Executive shall not be required to mitigate the amount of any payments provided for in this section by seeking other employment or otherwise, nor shall the amount of any payment provided for in this section be reduced by any compensation earned by the Executive as the result of employment by another employer after the date of termination, or otherwise.

4.8 Return of Property. On the cessation of employment for any reason, the Executive agrees to deliver to the Company all documents, financial statements, records, plans, drawings and papers of every nature, in any way relating to the affairs of the Company and its subsidiaries or affiliated companies, if any, which are in the Executive's possession or control.

4.9 Right to Deduct. The Company shall have the right to offset any money properly due by the Executive to the Company against any amounts payable by the Company to the Executive under this Agreement.

4.10 Options on Resignation. If permitted by applicable laws and regulatory authorities (which consent the Company will attempt to obtain but without warranty that such consent is obtainable) all stock option agreements between the Company and the Executive will provide that share options vested at the effective date of termination under section 4.1, 4.2 or 4.5 may be exercised at any time and from time to time within 30 days after such date.

4.11 **Incapacity.** If the Executive becomes:

- (a) temporarily disabled before termination of his employment hereunder, the Company and its subsidiaries will pay the Executive his Annual Compensation to which he is otherwise entitled pursuant to his employment provided the Executive exercises reasonable efforts to return to employment as soon as practicable until such time as the Executive is eligible for long term disability benefits (if any), or
- (b) permanently disabled (which shall refer to any disability resulting in the Executive being unable to perform substantially all his employment duties for more than 120 consecutive days or more than 120 days in any calendar year), the Company may forthwith terminate the Executive's employment.

4.12 **Release.** In return for the payments made by the Company to the Executive under any section in this Part 4, the Executive will deliver to the Company a full and final release of all claims arising on such termination.

6. **MISCELLANEOUS**

6.1 **Applicable Laws.** This Agreement and the employment of the Executive shall be governed, interpreted, construed and enforced according to the laws of the Province of British Columbia and the laws of Canada applicable therein.

6.2 **Time.** Time shall be of the essence of this Agreement.

6.3 **Entire Agreement.** This Agreement represents the entire Agreement between the Executive and the Company concerning the subject matter hereof and supersedes any previous oral or written communications, representations, understandings or agreements with the Company or any officer or agent thereof. This Agreement may only be amended or modified in writing signed by the parties.

6.4 **Notices.** Any notice, acceptance or other document required or permitted hereunder shall be considered and deemed to have been duly given if delivered by hand or mailed by postage prepaid and addressed to the party for whom it is intended at the party's address above or to such other address as the party may specify in writing to the other and shall be deemed to have been received if delivered, on the date of delivery, and if mailed as aforesaid, then on the second business day following the date of mailing thereof, provided that if that shall be at the time of mailing or within two business days thereof a strike, slowdown or other labour dispute which might affect delivery of notice by mail, then the notice shall only be effective if actually delivered.

6.5 **Waiver.** The waiver by the Executive or by the Company of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by the Company or by the Executive.

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

NORTHERN LIGHTS RESOURCES CORP.

Authorized Signatory

Executed by the above named Executive
in the presence of:

DAVE CROSS

(name)



(signature)

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A.R. Timcke

Albert (Rick) Timcke