

**OPTION OF TRANSFER OF MINING CONCESSIONS AND LICENSE OF RIGHTS GRANTED BY ABDON APOLINAR PAREDES BRUN, MARIA MILAGROS PAREDES CAJAHUANCA, ANGEL ABDON PAREDES CAJAHUANCA AND ANA MARIA PAREDES CAJAHUANCA IN FAVOR OF MINERA TARTISAN PERU SAC.**

**INTRODUCTION:** In the city of Lima on the thirtieth day of July, two thousand nine, before me: Anibal Romero Corvetto, Notary Public Lawyer of the Capital.

**APPEAR.**

**Luis Nino de Guzman Alberto Olivera**, Peruvian, married, occupation employee, duly identified with National Identity Document No. 30829698, domiciled at Avenida San Luis Number 2113, Office Number 300, District of San Borja, Province and Department of Lima who intervenes on behalf of MINERA TARTISAN PERU SAC, with Taxpayer Registry Number 20517630846, domiciled in Avenida San Luis Number 2113, Suite 300, District of San Borja, Province and Department of Lima, duly authorized in his capacity of General Manager pursuant to a power of attorney duly registered in the Electronic Registry Number 12084667 of Corporations of the Registry Office of Lima and Callao.

**Apolinar Abdon Brun Paredes**, Peruvian, widower, occupation industrial, duly identified with National Identity Document number 07423647, domiciled at No. 608 Prolongacion La Mar, District of La Victoria, Province and Department Lima. Who is involved in their own right and on behalf of **Ana Maria Paredes Cajahuanca** domiciled in Prolongacion La Mar 608, District of La Victoria, Province and Department of Lima, jointly authorized according to the electronic registry number 12337662 of Registry Natural of Persons.

**Angel Abdon Paredes Cajahuanca**, Peruvian, single, occupation employee, duly identified with National Identity Document number 07453137, domiciled in Prolongacion La Mar No. 608, District of La Victoria, Province and Department Lima, who is involved in his own right and on behalf of **Maria Milagros Paredes Cajahuanca**, domiciled in Prolongacion La Mar 608, District of Victoria, Province and Department of Lima jointly authorized according to the electronic registry number 12340143 Registry Natural of Persons.

The people appearing before me are adults, with ability to hire and intelligent in the Spanish language and who have duly identified which I give faith, ability, freedom and knowledge to be bound, as was also attest, and give me a draft duly signed and authorized so that its content be converted into a public deed, the same file is saved on their respective minute's file and its corresponding order number which also attest and which reads as follows:

Mr. Notary:

Please enter in the register of deeds a transfer option agreement of mining concessions and a license of the rights, which gives, on one hand, TARTISAN MINING PERU SAC, with RUC Number 20517630846, legally domiciled for these purposes in Avenida San Luis 2113, Office No. 300 District of San Borja, Province Lima and duly represented by its General Manager Luis Niño de Guzman Alberto Olivera identified with National Identity Card Number 30829698 who hereinafter referred **TARTISAN**, and on the other hand, Apolinar Abdon Paredes Brun, duly identified with National Identity Card Number No. 07423647, widower of Vitoria Martinez and legal heir together with his children of the intestate succession to his late wife registered in the Registry of Natural Persons No 11036767, Maria Milagros Paredes Cajahuanca, single, identified with National Identity Card Number 06396527, duly represented by her brother Angel Paredes Abdon Cajahuanca according to the entry No. 12340143 of the Registry of Natural Persons, Angel Paredes Cajahuanca Abdon identified with National Identity Card Number 07453137, single, and Ana Maria Paredes Cajahuanca identified with National Identity Card Number 09340955, single, duly represented by her father Don Abdon Apolinar Paredes Brun according to the

entry Nro 12337662 of the Registry of Natural setting as the address all of them for the purposes of this agreement in Prolongacion La Mar 608, District of La Victoria, Province of Lima, who hereinafter collectively are called the **TRANSFERORS**, to the terms and conditions:

**FIRST:** THE TRANSFERORS are holders of the following mining claims:

Code	Name	Has.	County	District	Department
09009609X01	Victoria APB	600.83	Huandoval	Pallasca	Ancash
09009415X01	Rufina No. 2	160.22	Huandoval	Pallasca	Ancash

Victoria APB is registered in the File No.298,082, entry 03 and Rufina No 2 in the File No. 290394, entry No. 04 of the Public Registry of Mining hereafter the CONCESSIONS.

**SECOND:** By the present agreement the TRANSFERORS gave an option of transfer, the option on all the CONCESSIONS and the license of rights of the CONCESSIONS to TARTISAN.

**THIRD:** The term of this agreement is three (3) calendar years counted from the date of signing of the deed. The deadline is obligatory to the TRANSFERORS and facultative to TARTISAN who has the right to discontinue the option at any time.

**FOURTH:** If TARTISAN decides to exercise the option, it must send a notarized letter to the TRANSFERORS. This option agreement is subjected to the provisions of Articles 165 and following of the Text of the General Mining Law and Articles 133 and next of the Regulations.

THE TRANSFERORS, within fifteen (15) days of receipt the notarized letter undertake unconditionally and irrevocably to celebrate the final contract for transfer the CONCESSIONS with TARTISAN. In the notarized letter would be indicated which Notary of Lima proceed to the signing of the minute and deed. After the fifteen (15) days of receipt the letter by the TRANSFERORS, and if any of the participants do not sign the minute or deed of this agreement, the TRANSFERORS are subjected to a penalty interest of One Hundred U.S. Dollars (U.S. \$ 100.00) for each day of delay in signing the minute and the deed. If after fifteen (15) calendar days the breaching party fails to sign the minute and the deed of the final agreement for transfer, the amount of the fine is increased to double that is a Two Hundred US Dollars (U.S. \$ 200.00) per day delay in the signing of the agreement, this is without prejudice to apply as a discount of any amount of money owed to the TRANSFERORS or affecting the rights of the CONCESSIONS to the signing of the minute and the deed of the final agreement.

**FIFTH:** If TARTISAN decides to discontinue the OPTION agreement terminating this contract, it must send a notarized letter to the TRANSFERORS communicating its intention to abandon the option to take full effect the withdrawal from the date of receipt of the letter without the TRANSFERORS can discuss or claim the withdrawal or termination of the agreement. It stops automatically and definitively all the rights and obligations between the parties arising from this agreement, especially those indicated in the sixth and seventh clause of this agreement or any other sum or value that is not earned or not made due.

Both parties agree irrevocably to subscribe the minute and the deed of the termination of this Agreement apply for such purposes, the same procedures and deadlines established in the previous clause for the signing of the minute and the final agreement deed of transfer of mining concessions. The desistance releases any fully TARTISAN obligation to TRANSFERORS. In this case, TARTISAN would deliver digital copies of the studies to the TRANSFERORS.

**SIXTH:** The parties agree that the value of the option is also the value of the final agreement for transfer the CONCESSIONS amounting to the sum of \$ 162,100.00 (ONE HUNDRED AND SIXTY TWO THOUSAND A US. DOLLARS) for the concession of Victoria APB and \$ 40,000.00 (FORTY THOUSAND US.DOLLARS) for the concession of Rufina No. 2, which together make the sum of \$ 202,100.00 (TWO

HUNDRED TWO THOUSAND AND HUNDRED US.DOLLARS).

TARTISAN under this agreement and to maintain the current option is obligated to pay the following amounts to the TRANSFERORS in the following dates:

FIRST PAYMENT FOR \$ 10,000.00 (TEN THOUSAND US. DOLLARS) as follows:

U.S. \$ 3,685.07 (THREE THOUSAND SIX HUNDREN EIGHTY FIVE and 07/100 US. DOLLARS) paid on June 30 of 2009 to INGEMMET corresponding to the term of 2008 of the concession of Rufina No 2 the amount of U.S. \$ 480.68 (Four Hundred and Eighty 68/100 U.S. Dollars) and for the Penalties of 2008 the amount of \$ 3,204.39 (Three Thousand Two Hundred Four and 39/100 US Dollars).

US\$6,314.93 (Six Thousand Three Hundred Fourteen and 93/100 US. Dollars) the day following the date of the deed was registered takes place of this agreement.

U.S. \$ 17,100.00 (ONE HUNDRED AND SEVENTEEN THOUSAND DOLLARS 00/100) within six calendar months from the date of registration of the deed took place.

U.S. \$ 15,000.00 (FIFTEEN THOUSAND AND 00/100 DOLLARS) within the twelve calendar months from the date of registration signed the deed took place.

U.S. \$ 20,000.00 (TWENTY DOLLARS 00/100) within the eighteen calendar months from the date of registration of the deed took place.

U.S. \$ 20,000.00 (TWENTY THOUSAND AND 00/100 DOLLARS) within to the twenty-four calendar months from the date of registration of the deed took place.

U.S. \$ 20,000.00 (TWENTY THOUSAND AND 00/100 DOLLARS) within the thirty calendar months from the date of registration of the deed took place.

U.S. \$ 100,000.00 (ONE HUNDRED THOUSAND AND 00/100 DOLLARS) within the thirty-six calendar months from the date of registration of the deed took place.

Such payments shall be delivered as specified by the TRANSFERORS deposited in the bank account No. 191-14465247-1-59 of Banco de Credito del Peru to Abdon Paredes Brun or through Bank's check payable to each of the TRANSFERORS. If the deadline falls on a non-business day will be run that date on the next first day.

In the event that the agreed payment schedule delays by TARTISAN; TARTISAN prior notice by notarized letter to the TRANSFERORS can regularize their payment within ten days after the due date. Otherwise, THE TRANSFERORS will terminate the option agreement.

In the event that TARTISAN desists and rescind this agreement in exercising its unilateral right, being released from its obligation to make instalment payments to the date of the notarized letter that report the withdrawal option, even if there was pending payments at the time.

Payments made by TARTISAN to the TRANSFERORS before the date of the notarized letter would be in favour of the TRANSFERORS as non-refundable amount.

**SEVENTH:** The TRANSFERORS state that the payments made by TARTISAN mentioned in clause sixth with the first payment, these CONCESSIONS are with no debt administrative payments to INGEMMET, in this case, TARTISAN assumes the obligation to make payment of the fee term and penalty on CONCESSIONS from the year 2009, must submit to THE TRANSFERORS a copy of the payment and make monthly affidavit by the website [http:// extranet.minem.gob.pe](http://extranet.minem.gob.pe)

TARTISAN assumes the defence of the CONCESSIONS only in administrative mining processes if required to do so in writing by the TRANSFERORS indicating clearly the materials or performances having to giving the power to that defence to TARTISAN.

**EIGHTH:** For the duration of this agreement TARTISAN have the right to carry out all work and tasks that the law allows to mining concessions. For these purposes TARTISAN undertakes to request and obtain from the Ministry of Energy and Mines any permits, application is made after the registration of the option agreement.

TARTISAN states that by the date of signature of this agreement has made a mining claim in the area where the CONCESSIONS are located matter of this agreement, which it is knowledge by TRANSFERORS, revoking by mutual agreement between the parties the Art 36 provide in the Text of the General Mining Law. (014-92 D.S. EM).

Upon termination of this agreement for any reason, under the responsibility TARTISAN remove all properties and /or goods within the CONCESSIONS matter of this agreement and in conjunction with work undertaken in accordance with law, within ninety (90) calendar days from the date of termination of this contract.

TARTISAN may leave their property in favour of the TRANSFERORS being released by this fact alone any obligation to withdraw such goods and / or account for retirement or for the consequences of not having withdrawn, making the knowledge of the TRANSFERORS, of whom shall have their conformity within a period not exceeding fifteen days, if no response is construed as acquiescence.

TRANSFERORS may visit and inspect by themselves or by representative the CONCESSIONS to verify the operations made under the law TARTISAN in concessions.

**NINTH:** TARTISAN is expressly authorized by the TRANSFERORS to assign or transfer its rights under this contract to third parties, be they natural or legal persons obliged the parties to sign the minute and the deed of assignment of contractual position.

In the event that TARTISAN exercises this right should inform the TRANSFERORS by notarized letter. TRANSFERORS cannot oppose it and are obliged to sign the minute and the deed of the respective agreement within seven (7) calendar days after the date of the notarized letter. In the case of the TRANSFERORS fail to sign the minute and the deed, shall pay a fine of ONE HUNDRED U.S. DOLLARS (U.S. \$ 100.00) to TARTISAN for each day of delay. This penalty will increase to TWO HUNDRED DOLLARS (U.S. \$ 200.00) if they pass fifteen (15) days late without signing the minute and the deed stated, notwithstanding the suspension of any payment and/or rights that may have the TRANSFERORS. If the deadline falls on a non-business day will be run that date on the next first day. In any case the transferee to sign a transfer agreement with contractual position must accept and abide TARTISAN conclusively established in this contract and payment dates of the various instalments of the option price and the transfer of rights that it is contains.

**TEN:** THE TRANSFERORS leave expressly stated that the transfer of the concessions will be free of any charge, lien or extra judicial and judicial action to limit or restrict the free availability and therefore the right to use and enjoy them. Similarly, during the term of this agreement THE TRANSFERORS undertake not to alienate, encumber or conclude any contracts on the CONCESSIONS.

**ELEVENTH:** If any of the parties in fulfilling their obligations under this agreement is wholly or partially affected by force majeure or fortuitous event, shall notify the other party by notarized letter, informing of the impossibility of meeting its obligations as such acts last and measures taken to eliminate or mitigate the force majeure or its effects, it must use the utmost diligence.

**TWELFTH:** Each and any communication and / or notification required under this agreement shall be in writing to the following addresses:

TRANSFERORS to Prolongacion La Mar 608, District of La Victoria, Province of Lima, Lima.

TARTISAN on Avenida San Luis 2113, Office No. 300, Distrito de San Borja, Province of Lima, Lima. These communications and / or notifications by notarized letter shall be well done when they are delivered to the person who receives the aforementioned addresses.

If any of the parties change their domicile must notify the other, through a notarized letter, and tools do not remain valid address above. The new homes that are brought should be located in Lima's urban radio.

**THIRTEEN:** All references in this agreement in dollars are understood in the legal currency of the United States of America.

**FOURTEEN:** Any dispute or disagreement arising between the parties regard the validity, interpretation and / or application of this contract that cannot be settled through direct negotiation between them, within thirty (30) business days following the date of notarized letter to on the rise of the dispute to send a party to the other, will definitely be initially resolved through conciliation-court and in the event that some issues remain unresolved, these issues will be resolved through final and binding decision in accordance with regulations conciliation and arbitration of the Cibertribunal Peruano with a sole arbitrator, whose rules the parties submit unconditionally. The arbitral award shall be final.

**FIFTEENTH:** The legal costs incurred in raising public write this agreement and its inscription in the Public Mining Registry, and shall be borne by TARTISAN. Please, Mr. Notary, add the remaining provisions of law, as appropriate insert, raise public write this agreement and pass the respective documents to the Public Ancash Mining for registration.

Lima, July 17, 2009

Apolinar Abdon Brún Paredes  
TRANSFEROR

Nino de Guzman Luis Alberto Olivera  
General Manager  
Minera Tartisan Perú S.A.C.

Angel Paredes Cajahuanca Abdon  
TRANSFEROR

p.p. Maria Milagros Paredes Cajahuanca  
Angel Paredes Cajahuanca  
TRANSFEROR

p.p. Ana Maria Paredes Cajahuanca Abdon  
Abdon Apolina Abdon Parede Brun  
TRANSFEROR

Signed: Luis Alberto Nino de Guzman Olivera (by Minera Tartisan Peru SAC)

Signed: Abdon Apolinar Paredes Brún (in his own right and on behalf of ANA MARIA PAREDES CAJAHUANCA).

Signed: Angel Paredes Cajahuanca Abdon (in his own right and on behalf of MARIA MILAGROS PAREDES CAJAHUANCA).

This minute was authorized by Dr. Alfonso Alvarez-Calderon Javier Yrigoyen, lawyer, registered with the Lima Bar Association number four thousand four hundred twenty-five.

### **Conclusion**

Executed the document I instructed to the granters its purpose and legal effects, as well as read the entire

law as to the contracting parties, of which I bear faith and after which were affirmed and ratified in their content and proceeded to sign and print their fingerprint in front of me, than I give faith for the record that this script starts at page number C number 0577991 and ends at page number C number 0578000, of which I attest.

**Signed:** Luis Alberto Nino de Guzman Olivera (by Minera Tartisan Peru SAC), fingerprint, dated July 30, 2009.

**Signed** Abdon Apolinar Paredes Brun (in his own right and on behalf of **Ana Maria Paredes Cajahuanca**), fingerprint, dated July 30, 2009.

**Signed:** Angel Abdon Paredes Cajahuanca (in his own right and on behalf of **Maria Milagros Paredes Cajahuanca**) fingerprint, dated July 30, 2009.

Concluded the signing of this deed on July 30<sup>th</sup>, 2009, of which I attest.

Before me: Anibal Romero Corvetto, Lawyer - Notary of the Capital.

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**Registration:** Transfer Option Agreement to Minera Tartisan Peru SAC of the Mining Claim Victoria A.P.B. Province of Pallasca, Entry Number 06 of the Electronic Registry Number 02030353 and the 7Mining Claim Rufina No 2, Province of Pallasca, Entry 05 of the Electronic Registry Number 02026631 of the Mining Registry Rights. Lima, February 12, 2010.

Registered Conclusion of the Procedure for Reconstruction in the Entry 03 of the Register of the mining claim Victoria APB, province of Pallasca, publishing the conclusion of the reconstruction procedure in the entry 05 of the Electronic Registry Number 02030353 of the Mining Registry Law, Lima, February 12, 2010.

Registered the Reconstruction of the Entry 03 of the Electronic Registry Number 02030353 regards to Victoria APB, province Pallasca, respect to Declaration of Heirs. Lima December 16, 2009.

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This testimony matches with the original script of its current pages reference nine thousand nine hundred ninety-one onwards, my record deeds for the year two thousand nine, and at the request of an interested party in this testimony is issued in six useful sheets, sign, stamp, initialed and signed in Lima on February, 20<sup>th</sup> 2010..