

FLOW-THROUGH SHARE SUBSCRIPTION AGREEMENT

THIS AGREEMENT dated July 30, 2014.

BETWEEN

**THE PURCHASERS LISTED AS PURCHASERS IN APPENDIX I TO THIS
SUBSCRIPTION AGREEMENT,**

(the “**Purchasers**”);

AND

**LAMÊLÉE IRON ORE LTD., having its head office at 1155 University Street, Suite
812, Montreal, Québec, H3B 3A7,**

(the “**Issuer**”).

WHEREAS each of the Purchasers has agreed to subscribe for, and the Issuer has agreed to issue, the number of the FT Shares (as defined in Appendix II) set forth across from the Purchaser’s name in Appendix I to this Agreement;

NOW THEREFORE, upon payment for the FT Shares by the Purchaser, and execution of this Agreement by Secutor Capital Management Corporation, as agent for the Purchasers (the “**Agent**”), and by the Issuer, the Purchasers and the Issuer hereby irrevocably agree to be bound by the terms and conditions set forth in Appendix II to this Agreement with respect to the FT Shares.

EXECUTED by the Agent for and on behalf of the Purchasers this 30th day of July, 2014.

SECUTOR CAPITAL MANAGEMENT CORPORATION

Per: Signed “George Aprile”
Authorized Signatory
Chief Financial Officer
Official Capacity or Title

EXECUTED by the Issuer this 30th day of July, 2014.

LAMÊLÉE IRON ORE LTD.

Per: Signed “Marc Duchesne”
Authorized Signatory
Chief Financial Officer
Official Capacity or Title

**APPENDIX I
TO THE FLOW-THROUGH SHARE SUBSCRIPTION AGREEMENT**

Name and Address of Purchaser	Number of FT Shares Purchased	Social Insurance Number (If Purchaser is an Individual) or Business Identification Number	Aggregate Value of FT Shares Purchased
REDACTED – CONFIDENTIAL INFORMATION	1,389,948	REDACTED – CONFIDENTIAL INFORMATION	\$208,492.20
REDACTED – CONFIDENTIAL INFORMATION	694,974	REDACTED – CONFIDENTIAL INFORMATION	\$104,246.10
REDACTED – CONFIDENTIAL INFORMATION	166,668	REDACTED – CONFIDENTIAL INFORMATION	\$25,000.20
REDACTED – CONFIDENTIAL INFORMATION	166,668	REDACTED – CONFIDENTIAL INFORMATION	\$25,000.20
REDACTED – CONFIDENTIAL INFORMATION	694,974	REDACTED – CONFIDENTIAL INFORMATION	\$104,246.10
REDACTED – CONFIDENTIAL INFORMATION	476,718	REDACTED – CONFIDENTIAL INFORMATION	\$71,507.70
REDACTED – CONFIDENTIAL INFORMATION	476,717	REDACTED – CONFIDENTIAL INFORMATION	\$71,507.55
REDACTED – CONFIDENTIAL INFORMATION	250,000	REDACTED – CONFIDENTIAL INFORMATION	\$37,500.00
REDACTED – CONFIDENTIAL INFORMATION	3,000,000	REDACTED – CONFIDENTIAL INFORMATION	\$450,000.00
REDACTED – CONFIDENTIAL INFORMATION	1,666,667	REDACTED – CONFIDENTIAL INFORMATION	\$250,000.05
REDACTED – CONFIDENTIAL INFORMATION	2,266,667	REDACTED – CONFIDENTIAL INFORMATION	\$340,000.05
REDACTED – CONFIDENTIAL INFORMATION	66,667	REDACTED – CONFIDENTIAL INFORMATION	\$10,000.05
REDACTED – CONFIDENTIAL INFORMATION	100,000	REDACTED – CONFIDENTIAL INFORMATION	\$15,000.00
REDACTED – CONFIDENTIAL INFORMATION	27,000	REDACTED – CONFIDENTIAL INFORMATION	\$4,050.00
REDACTED – CONFIDENTIAL INFORMATION	133,334	REDACTED – CONFIDENTIAL INFORMATION	\$20,000.10
<u>TOTAL</u>	11,577,002		\$1,736,550.30

**APPENDIX II
TO THE FLOW-THROUGH SHARE SUBSCRIPTION AGREEMENT
TERMS AND CONDITIONS GOVERNING
FT SHARES**

WHEREAS the Issuer and the Purchaser agree that the FT Shares (as hereinafter defined) will be “flow-through shares” as defined in subsection 66(15) of the Tax Act (as hereinafter defined) and, accordingly, the Issuer agrees to:

- A. incur Qualifying Expenses (as hereinafter defined) in an amount equal to the Commitment Amount (as hereinafter defined) during the period from and after the Closing Date (as hereinafter defined) to and including the Termination Date (as hereinafter defined); and
- B. renounce Qualifying Expenses equal to the Commitment Amount to the Purchaser with an effective date no later than December 31, 2014.

1. DEFINITIONS

In this Appendix, the following words have the following meanings unless otherwise indicated:

- (a) “**Agent**” has the meaning set forth on the cover page hereto;
- (b) “**Agreement**” means the agreement between the Issuer and the Purchaser dated for reference July 30, 2014 pursuant to which they irrevocably agreed to be bound by the terms and conditions set forth in this Appendix and, for greater certainty, includes this Appendix;
- (c) “**Appendix**” means this Appendix II;
- (d) “**Business Day**” means a day on which Canadian chartered banks are open for the transaction of regular business in the city of Montreal, Québec;
- (e) “**Canadian Exploration Expense**” or “**CEE**” means an expense incurred of the nature referred to in paragraph (f) of the definition of “Canadian exploration expense” in subsection 66.1(6) of the Tax Act, other than amounts which are either (1) prescribed to be “Canadian exploration and development overhead expense” for the purposes of paragraph 66(12.6)(b) of the Tax Act, (2) Canadian exploration expenses to the extent of the amount of any assistance described in paragraph 66(12.6)(a) of the Tax Act, (3) the cost of acquiring or obtaining the use of seismic data described in paragraph 66(12.6)(b.1) of the Tax Act or (4) any expenses for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition of the term “expense” in paragraph 66(15) of the Tax Act;
- (f) “**Closing Date**” means July 24, 2014 or such other date as the Issuer and the Agent may agree, on which the completion of the subscription for and the issue of the FT Shares as contemplated by this Agreement will occur;

- (g) “**Commitment Amount**” means the aggregate amount paid by the Purchaser for the FT Shares purchased by the Purchaser pursuant to this Agreement;
- (h) “**Common Shares**” means the common shares of the Issuer as constituted on the date hereof;
- (i) “**CRA**” means the Canada Revenue Agency;
- (j) “**Exploration Account**” has the meaning set out in the provisions under Section 2;
- (k) “**Exploration Program**” has the meaning set forth in Section 9.122;
- (l) “**Flow-Through Mining Expenditure**” means an expense which qualifies, once renounced by the Issuer, as a “flow-through mining expenditure” of the Purchaser as defined in subsection 127(9) of the Tax Act;
- (m) “**FT Shares**” means the previously unissued Common Shares of the Issuer which constitute “flow-through shares” as defined in subsection 66(15) of the Tax Act;
- (n) “**Issuer**” has the meaning set forth on the cover page hereto;
- (o) “**Person**” means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;
- (p) “**Prescribed Forms**” means the forms prescribed from time to time under subsection 66(12.7) of the Tax Act as described in Section 9.66 hereof filed or to be filed by the Issuer within the prescribed times renouncing to the Purchaser the Qualifying Expenses incurred pursuant to this Agreement and all parts or copies of such forms required by the CRA as described in Section 9.66 hereof to be delivered to the Purchaser;
- (q) “**Prescribed Relationship**” means a relationship between the Issuer and the Purchaser where the Purchaser and the Issuer are “related” or otherwise do not deal at “arm's length” with each other for purposes of the Tax Act;
- (r) “**Prospectus**” means the (final) short form prospectus of the Issuer dated July 22, 2014;
- (s) “**Purchaser**” has the meaning set forth on the cover page hereto;
- (t) “**Qualifying Expense**” means an expense which qualifies as CEE at the date it is incurred, which qualifies as a Flow-Through Mining Expenditure, which is incurred on or after the Closing Date and on or before the Termination Date, which may be renounced by the Issuer not later than March 31, 2015, pursuant to subsection 66(12.6) of the Tax Act in conjunction with subsection 66(12.66) of the Tax Act with an effective date not later than December 31, 2014 and in

respect of which, but for the renunciation, the Issuer would be entitled to a deduction from income for income tax purposes;

- (u) “**Québec Tax Act**” means the *Taxation Act* (Québec), together with any and all regulations promulgated thereunder, as amended, re-enacted or replaced from time to time and including any specific proposals to amend the Québec Tax Act publicly announced by or on behalf of the Minister of Finance (Québec) prior to the date hereof;
- (v) “**Tax Act**” means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended, re-enacted or replaced from time to time and including any specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof; and
- (w) “**Termination Date**” means December 31, 2015.

2. **FLOW-THROUGH SHARES**

Following receipt by the Issuer of the Commitment Amount from the Purchaser and on acceptance of this Agreement by the Issuer, the Issuer will:

- (a) deposit the Commitment Amount in a bank account (the “**Exploration Account**”) established by the Issuer for the purpose of financing the Exploration Program; and
- (b) issue to the Purchaser the number of FT Shares subscribed and paid for by the Purchaser.

3. **ADDITIONAL PURCHASERS TO PARTICIPATE IN THE PROGRAM**

The Purchaser acknowledges that the Issuer has entered into and will be entering into agreements similar to this Agreement with other Persons in respect of FT Shares. Such agreements will be made and be dated for reference the same date as this Agreement. Any funds paid to the Issuer pursuant to the terms of such agreements will also be deposited in the Exploration Account. If the Issuer, however, sells rights to acquire, or issues, “flow-through shares” for the purposes of the Tax Act pursuant to private placements or pursuant to other public offerings, any subscription funds received from such private placements or public offerings will be deposited into a bank account separate from the Exploration Account and will not be commingled with the funds deposited in the Exploration Account, it being the intention of the Issuer that a separate bank account be established for each such private placement or public offering. The Issuer will expend the funds from each “flow-through” financing in the order of:

- (a) the reference date of any private placement subscription agreements entered into for such private placements; and
- (b) the date of closing of such public offerings,

such that the subscription funds from the oldest “flow-through” financing will always be spent first and renunciation made in respect of such expenditures before any renunciations are made in respect of any CEE that are financed from subsequent “flow-through” financings.

4. APPLICATION OF EXPLORATION ACCOUNT

Subject to the Issuer’s right to revise the Exploration Program as provided in Section 12, the Issuer will apply the Commitment Amount deposited in the Exploration Account exclusively for the purpose of performing the Exploration Program and the Issuer will only apply such funds to incur expenditures which are Qualifying Expenses.

5. ACCRUED INTEREST ON EXPLORATION ACCOUNT

The Purchaser acknowledges that any interest accruing on the Commitment Amount in the Exploration Account will accrue to the sole benefit of the Issuer and may be applied by the Issuer for general corporate purposes.

6. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Issuer as follows and acknowledges and confirms that the Issuer is relying upon each of such representations and warranties in entering into this Agreement and completing the transactions contemplated herein:

- 6.1 Residency: The Purchaser is not a “non-resident” of Canada for the purposes of the Tax Act.
- 6.2 Arm’s Length: The Purchaser deals and will, until January 1, 2016, continue to deal at “arm’s length” with the Corporation for purposes of the Tax Act.
- 6.3 Age of Majority: The Purchaser, if an individual, is of the full age of majority and otherwise legally competent to enter into this Agreement.
- 6.4 Prescribed Relationship: The Purchaser, and if the Purchaser is a partnership, any partner or limited partner of the partnership, does not have and will not have prior to the Termination Date a Prescribed Relationship with the Issuer.
- 6.5 Prescribed Shares: The Purchaser has not and will not enter into any agreement or arrangement with any Person (other than the Issuer or a “specified person” in relation to the Issuer as defined in subsection 6202.1(5) of the regulations to the Tax Act) which will cause the FT Shares to be “prescribed shares” for the purposes of section 6202.1 of the regulations to the Tax Act.
- 6.6 Grants: Other than as provided herein or in the Prospectus, the Purchaser waives any right that it may have to any potential incentive grants, credits and similar or like payments or benefits which accrue as a result of the operations relating to CEE and the Purchaser acknowledges that all such grants, credits, payments or benefits accrue to the benefit of the Issuer.
- 6.7 Prospectus: The Purchaser has received and reviewed a copy of the Prospectus and this Agreement.

7. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer hereby represents and warrants to the Purchaser as follows and acknowledges and confirms that the Purchaser is relying upon each of such representations and warranties in entering into this Agreement and completing the transactions contemplated herein:

- 7.1 FT Shares: Except as a result of any agreement, arrangement, undertaking, obligation or understanding to which the Issuer is not a party and of which it has no knowledge, upon issue, the FT Shares will be “flow-through shares” as defined in subsection 66(15) of the Tax Act and are not and will not be “prescribed shares” or “prescribed rights” within the meaning of section 6202.1 of the regulations to the Tax Act.
- 7.2 Principal-Business Corporation: The Issuer is a “principal-business corporation” as defined in subsection 66(15) of the Tax Act and will continue to be a “principal-business corporation” until such time as all of the Qualifying Expenses required to be renounced under this Agreement have been incurred and validly renounced pursuant to the Tax Act.
- 7.3 Commitment Amount: The Issuer has no reason to believe that it will be unable to incur, on or after the Closing Date and on or before the Termination Date or that it will be unable to renounce to the Purchaser effective on or before December 31, 2014, Qualifying Expenses in an aggregate amount equal to the Commitment Amount and the Issuer has no reason to expect any reduction of such amount by virtue of subsection 66(12.73) of the Tax Act.
- 7.4 Other Agreements: The Issuer has not breached any agreement to issue “flow-through shares” within the meaning of the Tax Act to which it is or was a party and, in particular, the Issuer has not failed to incur and renounce expenses which it covenanted to incur and renounce nor has the Issuer or the CRA (or any corresponding provincial taxation authority) reduced pursuant to subsection 66(12.73) of the Tax Act (or any corresponding provincial legislation) any amount renounced by the Issuer.

8. COVENANTS OF THE PURCHASER

The Purchaser hereby covenants and agrees with the Issuer as follows:

- 8.1 Prescribed Shares: The Purchaser has not and will not enter into any agreement or arrangement with any Person (other than the Issuer or a “specified person” in relation to the Issuer as defined in regulation 6202.1(5) of the Tax Act) which will cause the FT Shares to be “prescribed shares” or “prescribed rights” for the purposes of section 6202.1 of the regulations to the Tax Act.

9. COVENANTS OF THE ISSUER

The Issuer hereby covenants and agrees with the Purchaser as follows:

- 9.1 Books and Records: The Issuer shall keep proper books, records and accounts of all Qualifying Expenses and all transactions affecting the Commitment Amount and the Qualifying Expenses, and upon reasonable notice, to make such books, records and accounts available for inspection and audit by or on behalf of the Purchaser at the Purchaser’s sole expense.

- 9.2 Filing Selling Instruments: The Issuer shall file with the CRA within the time prescribed by subsection 66(12.68) of the Tax Act the forms prescribed for the purposes of such legislation together with a copy of this Agreement and any “selling instrument” contemplated by such legislation or by this Agreement and shall forthwith following such filings provide to the Purchaser a copy of such forms.
- 9.3 Principal-Business Corporation: The Issuer shall maintain its status as a “principal-business corporation” as defined in subsection 66(15) of the Tax Act until such time as all of the Qualifying Expenses required to be renounced under this Agreement have been incurred and validly renounced pursuant to the Tax Act.
- 9.4 Performance of Acts: The Issuer shall perform and carry out all of the acts and things to be completed by it as provided in this Agreement.
- 9.5 Incurring and Renouncing of CEE: The Issuer hereby agrees to incur Qualifying Expenses in an amount equal to the Commitment Amount on or after the Closing Date and on or before the Termination Date in accordance with this Agreement and agrees to renounce to the Purchaser Qualifying Expenses in an amount equal to the Commitment Amount with an effective date no later than December 31, 2014, pursuant to subsection 66(12.6) in conjunction with subsection 66(12.66) of the Tax Act.
- 9.6 Prescribed Forms: The Issuer will file with the CRA, in respect of each renunciation made pursuant to this Agreement, before the last day of the month following the date of making such renunciation, the Prescribed Forms, fully completed and executed, and will deliver, on or before February 28, 2015, a copy of such Prescribed Forms to the Purchaser, such delivery constituting the authorization of the Issuer to the Purchaser to file such Prescribed Forms with the relevant taxation authorities.
- 9.7 Priority: The Issuer shall incur and renounce Qualifying Expenses pursuant to this Agreement and all other agreements with other Persons providing for the issue of FT Shares entered into by the Issuer on the Closing Date (collectively, the “**Other Agreements**”) pro rata by number of FT Shares issued or to be issued pursuant thereto before incurring and renouncing CEE pursuant to any other agreement which the Issuer shall enter into with any Person following the Closing Date with respect to the issue of “flow-through shares” for the purposes of the Tax Act. The Issuer shall not, without the prior written consent of the Agent (which consent may be withheld in the sole discretion of the Agent) enter into any other agreement which would prevent or restrict its ability to renounce Qualifying Expenses to the Purchaser in the amount of the Commitment Amount in accordance with this Agreement. If the Issuer is required under the Tax Act (or any corresponding provincial legislation) to reduce Qualifying Expenses previously renounced to the Purchaser, the reduction shall be made pro rata by number of FT Shares issued or to be issued pursuant to this Agreement to the reduction made under the Other Agreements but the Issuer shall not reduce Qualifying Expenses renounced to the Purchaser under this Agreement until it has first reduced to the extent possible all CEE renounced pursuant to any other agreement which the Issuer shall enter into with any Person following the Closing Date with respect to the issue of “flow-through shares” for the purposes of the Tax Act.

- 9.8 Qualifying Expenses: The Qualifying Expenses to be renounced by the Issuer to the Purchaser:
- (a) will constitute CEE on the effective date of the renunciation;
 - (b) will not include any amount that has previously been renounced by the Issuer to the Purchaser or to any other Person;
 - (c) would be deductible by the Issuer in computing its income for the purposes of Part I of the Tax Act but for the renunciation to the Purchaser;
 - (d) will not be subject to any reduction under subsection 66(12.73) of the Tax Act; and
 - (e) will qualify, once renounced to the Purchaser in accordance with the Tax Act, as Flow-Through Mining Expenditure of the Purchaser.
- 9.9 Reduction in Qualifying Expense: The Issuer shall not reduce the amount renounced to the Purchaser pursuant to subsection 66(12.6) of the Tax Act. The Issuer shall refrain from entering into transactions or taking deductions which would otherwise reduce its cumulative CEE to an extent that would preclude a renunciation of Qualifying Expenses under this Agreement in an amount equal to the Commitment Amount.
- 9.10 Valid Renunciation: The Issuer shall not be subject to the provisions of subsection 66(12.67) of the Tax Act in a manner which impairs its ability to renounce Qualifying Expense to the Purchaser in an amount equal to the Commitment Amount.
- 9.11 Assistance: In the event that the Issuer has received, is entitled to receive, or may reasonably be expected to receive, “assistance” as defined in subsection 66(15) of the Tax Act at any time that may reasonably be related to the Qualifying Expenses which could otherwise affect the amount that could be renounced to the Purchaser pursuant to the terms of this Agreement, the Issuer will incur additional Qualifying Expenses using funds from other sources in an amount equal to any such assistance, such that the aggregate Qualifying Expenses renounced to the Purchaser pursuant to the terms of this Agreement will not be less than nor exceed the Commitment Amount.
- 9.12 Use of Commitment Amount: The Issuer shall use the Commitment Amount for an exploration program on certain interests in mineral resource properties situated in Québec for the purpose of determining the existence, location, extent and quality of the mineral resources located thereon (the “**Exploration Program**”).

10. QUÉBEC PROVINCIAL INCOME TAX CONSIDERATIONS

This section only applies to a Purchaser who is liable for tax under the Québec Tax Act or is a partnership of which a partner or limited partner is liable for tax under the Québec Tax Act (a “**Québec Purchaser**”) regarding Qualifying Expenses incurred with respect to mineral resource properties situated in the Province of Québec, Canada.

- 10.1 The Issuer hereby further covenants and agrees with the Purchaser as follows:

- (a) The Issuer is, and at all material times will remain, both a “development corporation”, as defined in section 363 of the Québec Tax Act, and a “qualified corporation”, as defined in sections 726.4.15 and 726.4.17.7 of the Québec Tax Act; and
- (b) The Qualifying Expenses to be incurred in performing the Exploration Program and renounced by the Issuer will qualify, for a Québec Purchaser who is an eligible individual under the Québec Tax Act or, where the Québec Purchaser is a partnership, for the members of the Québec Purchaser who are such individuals, to the extent of their respective shares of the Qualifying Expenses so renounced, as:
 - (i) expenses which qualify for inclusion in the “exploration base relating to certain Québec exploration expenses” within the meaning of section 726.4.10 of the Québec Tax Act; and
 - (ii) expenses qualifying for inclusion in the “exploration base relating to certain Québec surface mining expenses or oil and gas exploration expenses” within the meaning of section 726.4.17.2 of the Québec Tax Act;

and will be designated as such in all tax forms and slips to be filed by the Issuer as set forth herein.

10.2 Any reference in this Agreement to a word or term defined in the Tax Act shall include, for Québec income tax purposes, a reference to the equivalent word or term, if any, defined in the Québec Tax Act. Any reference in this Agreement to the Tax Act or a provision thereof shall include, for Québec income tax purposes, a reference to the Québec Tax Act or the equivalent provision thereof, if any. Any reference in this Agreement to a filing or similar requirement imposed under the Tax Act shall include, for Québec income tax purposes, a reference to the equivalent filing or similar requirement, where applicable, under the Québec Tax Act; provided that, if no filing or similar requirement is provided under the Québec Tax Act, a copy of any material filed under the Tax Act shall be filed with the *Agence du revenu du Québec*. Without limiting the generality of the foregoing, an obligation of the Issuer to renounce an amount of Qualifying Expenses under the Tax Act with respect to a FT Share shall include, for Québec income tax purposes, an obligation to renounce such amount under the Québec Tax Act.

11. NO DISSEMINATION OF CONFIDENTIAL INFORMATION

The Issuer will be entitled to hold confidential all exploration information relating to any program on which any portion of the Commitment Amount is expended pursuant to this Agreement and it will not be obligated to make such information available to the Purchaser except in the manner and at such time as it makes any such information available to its shareholders or to the public pursuant to the rules and policies of any stock exchange or laws, regulations or policies of any province.

12. REVISION OF EXPLORATION PROGRAM

While it is the present intention of the Issuer to undertake the Exploration Program, it is the nature of mining exploration that data and information acquired during the conduct of an exploration program may alter the initially proposed Exploration Program and the Issuer expressly reserves the right to alter the Exploration Program on the advice of its technical staff or consultants and further reserves the right to substitute other exploration programs on which to expend part of the Commitment Amount, provided such programs entail the incurrence of Qualifying Expenses and are otherwise capable of renunciation by the Issuer to the Purchaser pursuant to this Agreement.

13. INDEMNITY BY ISSUER

13.1 Failure to Renounce: If the Issuer does renounce to the Purchaser, effective on or before December 31, 2014, Qualifying Expenses equal to the Commitment Amount, and provided that the Purchaser is not in breach of any of its material representations, warranties or covenants under this Agreement, the Issuer shall indemnify and hold harmless the Purchaser and each of the partners thereof if the Purchaser is a partnership or a limited partnership (for the purposes of this paragraph each an “**Indemnified Person**”) as to, and pay in settlement thereof to the Indemnified Person on or before the twentieth Business Day following the day on which the amount is definitely determined, an amount equal to the amount of any tax (within the meaning of paragraph (c) of the definition of “excluded obligation” in subsection 6202.1(5) of the regulations to the Tax Act) payable under the Tax Act (and under any corresponding provincial legislation) by any Indemnified Person as a consequence of such failure. In the event that the amount renounced by the Issuer to the Purchaser is reduced pursuant to subsection 66(12.73) of the Tax Act (or any corresponding provincial legislation), the Issuer shall indemnify and hold harmless each Indemnified Person as to, and pay in settlement thereof to the Indemnified Person on or before the twentieth Business Day following the day on which the amount is definitely determined, an amount equal to the amount of any tax (within the meaning of paragraph (c) of the definition of “excluded obligation” in subsection 6202.1(5) of the regulations to the Tax Act) payable under the Tax Act (and under any corresponding provincial legislation) by the Indemnified Person as a consequence of such reduction. For certainty, the foregoing indemnity shall have no force or effect and the Purchaser shall not have any recourse or rights of action to the extent that such indemnity, recourse or rights of action would otherwise cause the FT Shares to be “prescribed shares” within the meaning of section 6202.1 of the regulations to the Tax Act.

13.2 Indemnities Held in Trust: To the extent that any Person entitled to be indemnified hereunder is not a party to this Agreement, the Purchaser shall obtain and hold the rights and benefits of this Agreement in trust for, and on behalf of, such Person and such Person shall be entitled to enforce the provisions of this section notwithstanding that such Person is not a party to this Agreement.

14. OTHER FLOW-THROUGH SHARE SALES

The Purchaser acknowledges that there may be other sales of “flow-through shares” for the purposes of the Tax Act by the Issuer, some or all of which may occur after the acquisition of FT Shares by the Purchaser. The Purchaser further acknowledges that there is a risk that insufficient

funds may be raised from the sale of “flow-through shares” for the purposes of the Tax Act to fund the Issuer’s objectives described in the Prospectus and that it is possible that no flow-through shares may be purchased after the Purchaser has done so.

15. ISSUER’S ACCEPTANCE

This Agreement, when executed by the Agent on behalf of the Purchaser and delivered to the Issuer, will constitute a subscription for FT Shares which will not be binding on the Issuer until accepted by the Issuer by executing this Agreement in the space provided on the first page of this Agreement and, notwithstanding the reference date on that page, if the Issuer accepts the subscription by the Purchaser, this Agreement will be entered into on the date of such execution by the Issuer.

16. MISCELLANEOUS

16.1 The Purchaser hereby irrevocably authorizes the Agent, in its sole discretion:

- (a) to act as the Purchaser’s representative to receive certificates for FT Shares subscribed for and to execute in his, her or its name and on his, her or its behalf all closing receipts and documents required; and
- (b) to waive, in whole or in part, any representations, warranties, covenants or conditions for the benefit of the Purchaser contained herein or in any agreement or document ancillary or related thereto.

16.2 This Agreement is not assignable or transferable by either of the parties hereto without the express written consent of the other party hereto.

16.3 Time is of the essence in this Agreement.

16.4 Except as expressly provided in this Appendix and in the Prospectus, agreements, instruments and other documents contemplated or provided for herein, this Agreement contains the entire agreement between the parties with respect to FT Shares and there are no other terms, conditions, representations or warranties whether expressed, implied, oral or written, by statute, by common law, by the Issuer, by the Agent, or by anyone else.

16.5 The parties to this Agreement may amend this Agreement only in writing.

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

16.7 A party to this Agreement will give all notices to or other written communications with the other party to this Agreement concerning this Agreement by hand or by registered mail addressed to such party, in the case of the Issuer to the address given on the Prospectus and in the case of the Purchaser, c/o the Agent at the address given on the Prospectus.

16.8 This Appendix is to be read with all changes in gender or number as required by the context.

- 16.9 This Agreement will be governed by and construed in accordance with the laws of Québec, and the parties hereto irrevocably attorn and submit to the jurisdiction of the courts of Québec with respect to any dispute related to this Agreement.

END OF APPENDIX II