

THIS ROYALTY AGREEMENT made as of the 2nd day of February, 2012.

BETWEEN:

CANADA ENERCO CORP.

a corporation incorporated under the laws of Ontario
having a registered and records office of 25 Adelaide Street East, Suite 1010,
Toronto, Ontario M5C 3A1
(hereinafter referred to as, the “**Royalty Holder**”)

OF THE FIRST PART

- and -

APIIA ENERGY CORP.

a corporation incorporated under the federal laws of Canada
having a registered and records office of 25 Adelaide Street East, Suite 1010,
Toronto, Ontario M5C 3A1
(hereinafter referred to as the “**Corporation**”)

OF THE SECOND PART

WHEREAS pursuant to an agreement dated November 1, 2007 between the Royalty Holder and the Corporation (the “**Vending Agreement**”), the Corporation acquired the property as more particularly described in **Schedule “A”** hereto (the “**Vended Property**”);

AND WHEREAS the Vending Agreement defined an Area of Interest (the “**Area of Interest**”) in Section 6 as an area within 20 kilometres from the existing boundaries of the Vended Property;

AND WHEREAS twenty-six (26) mining claims within the Area of Interest were staked on behalf of the Royalty Holder, registered in the name of the Royalty Holder and transferred to the Corporation, and a further nine (9) mining claims within the Area of Interest were staked on behalf of the Royalty Holder and transferred directly into the name of the Corporation subsequent to the execution of the Vending Agreement (collectively the “**Subsequently Acquired Claims**”);

AND WHEREAS the Subsequently Acquired Claims are more particularly described in **Schedule “B”** hereto;

AND WHEREAS six (6) mining claims within the Area of Interest were acquired by the Corporation from Dan Patrie Exploration Ltd. (the “**Patrie Claims**”) and are more particularly described in **Schedule “C”** hereto;

AND WHEREAS pursuant to the terms of the Vending Agreement, the Vended Property, the Subsequently Acquired Claims and the Patrie Claims are subject to the Royalty as set out in the Vending Agreement and included herein as **Schedule “D”** (the “**Royalty**”);

AND WHEREAS the parties wish to clarify the rights of the Royalty Holder in respect of the Royalty as set out herein;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants and agreements herein contained the parties covenant and agree as follows:

ARTICLE I: INTERPRETATION

1.01 **Definitions**

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) **“Affiliate”** means a corporation or other entity which, in relation to another corporation or other entity, is controlled by or controls such other corporation or entity or is controlled by the same person, group of persons or certain of them or by the same corporation or entity which controls such other corporation or entity and where two or more corporations or other entities are Affiliates of the same corporation or entity they are affiliates of each other;
- (b) **“After-Acquired Claims”** means after-acquired property as described in Section 2.02;
- (c) **“Area of Interest”** has the meaning set out in Section 2.02;
- (d) **“Control”, “Controls”, “Controlled”** or similar expression mean the holding by a person or group of persons, directly or indirectly, of securities of a corporation or entity or comparable beneficial interests in an entity (for purposes hereof, "securities" shall include such interests) to which are attached more than 50% of the votes or similar rights of decision that may be cast to elect directors or any similar managing body of the corporation or entity, if such votes or rights are sufficient, if exercised, to elect a majority of the directors or similar managing body of the corporation or entity, other than holding such securities by way of security only, provided that control in fact of such corporation or entity, whether directly through the ownership of securities or a right or option to acquire securities or indirectly through a trust, contract, the ownership of securities of any other corporation or entity or otherwise, is not primarily exercised by a person or group of persons other than the holder of the said securities rather than by such holder, in which case such other person or group of persons shall be deemed to control such corporation or entity for all purposes hereof, and provided that for purposes hereof persons who act in concert in regard to the voting of securities or otherwise in regard to the business and affairs of a corporation or entity shall be considered a group of persons;
- (e) **“Denison Claims”** means the claims as referred to in Section 2.03;
- (f) **“Dollars”** or **“\$”** means dollars of Canada unless specified otherwise;
- (g) **“Patrie Claims”** means the property referred to in **Schedule “C”**;
- (h) **“Property”** means the Vended Property, the Subsequently Acquired Claims and any After-Acquired Claims;
- (i) **“Royalty”** means the 1% Uranium Production Payment Royalty and the 1% Net Smelter Returns Royalty with respect to precious and base metals as defined in **Schedule “D”**;

(j) “**Subsequently Acquired Claims**” means the property referred to in **Schedule “B”** hereto; and

(k) “**Vended Property**” means the property referred to in **Schedule “A”** hereto.

1.02 **Sections and Headlines**

The division of this Agreement into Articles and Sections and insertions of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Royalty Agreement and not to any particular Article, Section or other portion hereof and not to any agreement or instrument supplemental or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 **Number**

Words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

1.04 **Accounting Principles**

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles.

1.05 **Vending Agreement**

The Vending Agreement shall continue to apply except as amended herein.

ARTICLE II: ROYALTY

2.01 **Grant of Royalty**

The Corporation does hereby grant to the Royalty Holder the Royalty in the Subsequently Acquired Claims. The Corporation acknowledges that the Royalty Holder holds the Royalty in the Property. The Vending Agreement is hereby amended by replacing the Royalty (as defined in the Vending Agreement) being Schedule “B” to the Vending Agreement with the annexed Royalty set out in **Schedule “D”** hereto.

2.02 **After-Acquired Claims**

For greater certainty, the Vending Agreement is hereby amended by replacing paragraph 6 thereof with the following:

“Any claims acquired within twenty (20) kilometres of the existing boundaries of the Vended Property (the “**Area of Interest**”) by either the Royalty Holder or the

Corporation (the “**After-Acquired Claims**”) after the date hereof shall form part of this Agreement as provided herein. If staked by, for the credit of or at the request of the Royalty Holder, such After-Acquired Claims will be offered to the Corporation at the staking costs or if acquired from a third party by the Royalty Holder, at the costs paid by the Royalty Holder for such claims. If the Corporation elects to acquire the After-Acquired Claims, such claims will form part of the Property and be subject to the Royalty. If the Corporation does not elect to acquire the After-Acquired Claims from the Royalty Holder within thirty (30) days after notice of the staking or acquisition by the Royalty Holder, the Royalty Holder shall be free to deal with such After-Acquired Claims free from any claim by the Corporation. If the Corporation acquires any After-Acquired Claims, whether by staking or from a third party, they shall form part of the Property and be subject to the Royalty.”

2.03 **Denison Claims**

Two (2) mining claims which were part of the Vended Property and subject to the Royalty, being claims SSM 4221247 and SSM 4221248 in Joubin Township (the “**Denison Claims**”), were transferred by the Corporation to Denison Mines Inc. on September 8, 2009 in consideration for a 3% Net Smelter Returns Royalty and the right of access over the Denison Claims by the Corporation. The Corporation acknowledges that the Denison Claims remain subject to the Royalty.

2.04 **Patrie Claims**

The parties acknowledge that the Patrie Claims are within the Area of Interest. In consideration for the clarification of the provisions relating to After-Acquired Claims as set out in Section 2.2 above, the Royalty Holder hereby waives the Royalty in respect of the Patrie Claims and waives any rights under the Vending Agreement in respect of the Patrie Claims effective as of February 27, 2008.

ARTICLE III: GENERAL

3.01 **Entire Agreement**

This is the entire agreement of the parties respecting the matters set out herein.

3.02 **Amendments and Waivers**

No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the parties hereto. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

3.03 **Assignment**

Except as may be expressly provided in this Agreement, the Corporation shall not assign its rights or obligations under this Agreement without the prior written consent of the Royalty Holder. The Royalty Holder may assign all or any interest in the Royalty to another party without the consent of the Corporation.

3.04 **Benefit of the Agreement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

3.05 **Further Assurances**

Each of the parties shall execute and deliver all such documents, deeds and instruments and give such further assurance and do or cause to be done all such acts and things as may be requested by the other party to fully and effectively implement the intention and purpose of this Agreement.

3.06 **Notices**

Any notice request, demand, invoice or other communication (the “**Notice**”) required or permitted to be given hereunder shall be in writing and may be delivered personally or by prepaid mail or by email or facsimile communication with return receipt or read receipt requested addressed to a party.

In the case of the Royalty Holder: 17 Didrickson Drive
Toronto, Ontario
M2P 1J7

Email: tomdrs@hotmail.com

In the case of the Corporation: 25 Adelaide Street East, Suite 1010
Toronto, Ontario
M6E 3Y2

Fax: (416) 218-9772
Email: romios@romios.com

or at such other address or to such other email or facsimile number as a party may, from time to time, advise the other party by notice. A notice shall be deemed to be received if served personally on the date of delivery; if mailed, five (5) days following the date of mailing and if sent by email or facsimile communication, on the business day following the transmission thereof.

3.07 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada.

3.08 **Arbitration**

(a) Any dispute with respect to the interpretation of this Royalty Agreement or the calculation of the Royalty payable hereunder, shall be finally settled by arbitration.

(b) It shall be a condition precedent to the right of either the Corporation or the Royalty Holder or their respective successors in interest to submitting any matter to arbitration pursuant to the provisions hereof, that such party shall have given not less than ten (10) days prior written notice of its intention to do so to the other party. On the expiration of such ten (10) days the party who gave such notice (the “**Referring Party**”) may proceed to refer the dispute to arbitration as herein provided.

(c) The Referring Party shall proceed to refer the dispute to arbitration by appointing one arbitrator (the “**Referring Party’s Arbitrator**”), and shall notify the other party (the “**Responding Party**”), of such appointment, and the Responding Party, within fifteen (15) days after receiving notice of the appointment of the Referring Party’s Arbitrator, shall appoint one arbitrator (the “**Responding Party’s Arbitrator**”), and the arbitrators so named, before proceeding to act and within thirty (30) days of their appointment, shall agree unanimously on the appointment of a third arbitrator to act with them and be chairman (the “**Chairman**”) of the arbitration and proceed to determine the matter as herein provided.

(d) If the Referring Party’s Arbitrator and the Responding Party’s Arbitrator shall be unable to agree on the appointment of the chairman, a judge of the Ontario Court (General Division) shall appoint a chairman (the “**Chairman**”), on the application of either party.

(e) If the Responding Party shall fail to appoint an arbitrator within fifteen (15) days after receiving notice of the appointment of the Referring Party’s Arbitrator, then the Referring Party’s Arbitrator shall act to appoint a second arbitrator who shall be chairman of the arbitration and the Referring Party’s Arbitrator and the chairman so appointed (the “**Chairman**”) shall proceed to determine the matter as provided herein.

(f) The Chairman shall fix a time and place in Toronto, Ontario for the purpose of hearing the evidence and representations of the parties, and he shall preside over the arbitration and determine all questions of procedure not herein provided for. After hearing any evidence and representations that each party may submit, the arbitrators shall make an award and reduce the same to writing and deliver one copy thereof to each party. Each party agrees that the award of a majority of the arbitrators shall be final and binding upon each of them and there shall be no appeal therefrom. The cost of the arbitration shall be paid as specified in the award. A judgment may be entered upon the award made pursuant to such arbitration in a court of competent jurisdiction.

(g) The Royalty Holder and its successors in interest shall collectively be entitled to appoint one arbitrator, and the Corporation and its successors in interest shall collectively be entitled to appoint one arbitrator.

IN WITNESS WHEREOF the parties have executed this Agreement.

**SIGNED, SEALED AND
DELIVERED**

) **CANADA ENERCO CORP.**
)
) *“Tom Drivas”*
) Per: _____
) **TOM DRIVAS,**
) President and CEO
) I have authority to bind the corporation.
)
)
) **APPIA ENERGY CORP.**
)
) *“Tom Drivas”*
) Per: _____
) **TOM DRIVAS,**
) President and CEO
) I have authority to bind the corporation.

SCHEDULE “A”
TO THE ROYALTY AGREEMENT DATED FEBRUARY 2, 2012 BETWEEN CANADA
ENERCO CORP. (the “Royalty Holder”) AND APPIA ENERGY CORP. (the “Corporation”)

THE VENDED PROPERTY

The following is a summary of the claims comprising the Vended Property

Township	Claim Number	Recording Date	Claim Due Date
BEANGE	4201498	2005-May-02	2012-May-02
BEANGE	4201499	2005-May-02	2012-May-02
BEANGE	4201500	2005-May-02	2012-May-02
BEANGE	4201501	2005-May-02	2012-May-02
BEANGE	4201502	2005-May-02	2012-May-02
BEANGE	4201503	2005-May-02	2012-May-02
BEANGE	4201504	2005-May-02	2012-May-02
BEANGE	4205717	2005-Jun-28	2012-Jun-28
BEANGE	4207326	2005-May-02	2012-May-02
BEANGE	4219904	2007-Mar-27	2012-Mar-27
BEANGE	4219907	2007-Mar-27	2012-Mar-27
BEANGE	4219941	2007-Mar-27	2012-Mar-27
BEANGE	4219969	2007-Mar-27	2012-Mar-27
BEANGE	4219977	2007-Mar-27	2012-Mar-27
BOLGER	4219968	2007-Mar-27	2012-Mar-27
BOUCK	3019176	2006-Dec-21	2012-Dec-21
BOUCK	3019177	2006-Dec-21	2012-Dec-21
BOUCK	3019230	2006-Dec-21	2012-Dec-21
BOUCK	3019231	2006-Dec-21	2012-Dec-21
BOUCK	3019232	2006-Dec-21	2012-Dec-21
BOUCK	3019233	2006-Dec-21	2012-Dec-21
BOUCK	3019234	2006-Dec-21	2012-Dec-21
BOUCK	4205718	2005-Jun-28	2012-Jun-28
BOUCK	4207259	2006-Dec-21	2012-Dec-21
BOUCK	4207262	2006-Dec-21	2012-Dec-21
BOUCK	4215011	2007-Feb-27	2013-Feb-27
BOUCK	4215012	2007-Feb-27	2013-Feb-27
BOUCK	4215013	2007-Feb-27	2013-Feb-27
BOUCK	4215302	2006-Dec-29	2012-Dec-29
BOUCK	4219908	2007-Mar-30	2012-Mar-30
BOUCK	4221243	2004-Oct-19	2012-Oct-19
BOUCK	4221244	2004-Oct-19	2012-Oct-19
BOUCK ⁽¹⁾	4221245	2004-Oct-19	2012-Oct-19
BUCKLES	3009193	2004-Oct-19	2012-Oct-19
BUCKLES	4201526	2004-Nov-16	2012-Nov-16
BUCKLES	4202357	2004-Oct-19	2012-Oct-19
BUCKLES	4202381	2004-Oct-19	2012-Oct-19
BUCKLES ⁽²⁾	4205719	2005-Jun-28	2012-Jun-28

Township	Claim Number	Recording Date	Claim Due Date
BUCKLES ⁽³⁾	4215303	2006-Dec-29	2012-Dec-29
BUCKLES	4219974	2007-Apr-13	2012-Apr-13
BUCKLES	4219978	2004-Oct-19	2012-Oct-19
BUCKLES	4219979	2004-Oct-19	2012-Oct-19
BUCKLES	4219980	2004-Oct-19	2012-Oct-19
BUCKLES ⁽¹⁾	4221246	2004-Oct-19	2012-Oct-19
BUCKLES ⁽²⁾	4221249	2004-Oct-19	2012-Oct-19
BUCKLES	4221250	2004-Oct-19	2013-Oct-19
BUCKLES	4221251	2004-Oct-19	2012-Oct-19
BUCKLES	4221252	2004-Oct-19	2012-Oct-19
GUNTERMAN	3019178	2006-Dec-21	2012-Dec-21
GUNTERMAN	3019179	2006-Dec-21	2012-Dec-21
GUNTERMAN	3019180	2006-Dec-21	2012-Dec-21
GUNTERMAN	4215008	2007-Feb-27	2013-Feb-27
GUNTERMAN	4215009	2007-Feb-27	2013-Feb-27
GUNTERMAN	4215010	2007-Feb-27	2013-Feb-27
GUNTERMAN	4215014	2007-Feb-27	2013-Feb-27
GUNTERMAN	4215015	2007-Feb-27	2013-Feb-27
JOUBIN	4205720	2005-Jun-28	2012-Jun-28
JOUBIN ⁽²⁾	4214928	2007-Feb-27	2013-Feb-27
JOUBIN	4215016	2007-Feb-27	2013-Feb-27
JOUBIN ⁽⁴⁾	4221247	2004-Oct-19	2016-Oct-19
JOUBIN ⁽⁴⁾	4221248	2004-Oct-19	2016-Oct-19

(1) SURFACE RIGHTS EXCLUSION

With respect to paragraph 1(b) of the Vending Agreement, the surface rights of these two (2) claims are the subject of an agreement between Canada Enerco Corp. and the Corporation of the City of Elliott Lake dated November 1, 2005 annexed hereto as **Schedule “1”**.

(2) ENVIRONMENTAL EXCLUSION

With respect to paragraph 1(h) of the Vending Agreement, the Corporation acknowledges that these three (3) claims are the subject of a Canada Nuclear Safety Commission decommissioning licence.

(3) SURFACE RIGHTS EXCLUSION

With respect to paragraph 1(b) of the Vending Agreement, the surface rights of this one (1) claim are the subject of an agreement between Canada Enerco Corp. and the Corporation of the City of Elliott Lake dated January 19, 2009 annexed hereto as **Schedule “2”**.

⁽⁴⁾ These two (2) mining claims, which were part of the Vended Property and subject to the Royalty, were transferred by the Corporation to Denison Mines Inc. on September 8, 2009 in consideration for a 3% Net Smelter Returns Royalty and the right of access over the Denison Claims by the Corporation. The Corporation acknowledges that the Denison Claims remain subject to the Royalty.

Schedule "1"

This Agreement Dated November 1, 2005

Between:

The Corporation of the City of Elliot Lake

(Elliot Lake)

And

Canada Enerco Corp.

(Enerco)

Agreement

Whereas Enerco hold the mining rights to unpatented mining claims Nos. SSM 3009177 and SSM 3009175;

And whereas Elliot Lake requires certain of the surface rights therein for the purpose of a road to some cottage lots and a portion of the cottage lots themselves contained on the claim;

And whereas Section 51(1) of the Mining Act reads:

Where the holder of an unpatented mining claim consents to the disposition of the surface rights under the Public Lands Act, the recorder shall make an entry on the record of the claim respecting the consent, and thereupon the surface rights may be dealt with as provided in the Public Lands Act;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

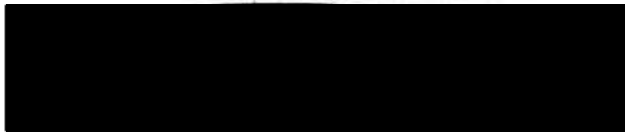
1. For the sum of [REDACTED] plus reasonable legal fees, not to exceed [REDACTED] Canada Enerco shall execute a "Consent to the Disposition of Surface Rights" in the form attached hereto for those lands set out in red on the survey of the property by Paul H. Torrance Surveying Ltd. on June 1, 2005 as reference no. 202.079.Q9.
2. The parties hereto agree that Canada Enerco Corp., its agents, contractors and/or employees will have the right to enter and use the Disposition of Surface Rights area at any time or times without notice or cost.

3. Payment shall be made within seven (7) days from the date of recorder confirming that the entry respecting the consent has been made on the record of the claim, and proof of the account for legal fees.

DATED AT TORONTO, ONTARIO this 22nd day of November, 2005.

CANADA ENERCO CORP.

Per: *TOM DRIVAS, PRESIDENT*



We have authority to bind the Corporation

DATED AT ELLIOT LAKE, ONTARIO this day of November, 2005

THE CORPORATION OF THE CITY OF ELLIOT LAKE

Per:



George Farkouh, Mayor



Lesley Sprague, Clerk

NOV 22 2005 11:20 FR MNDM PRO SUDBURY 705 670 5681 TO 914162189772 P.02



Ontario

Ministry of Northern Development and Mines

Consent to the Disposition of Surface Rights

Under the Mining Act, R.S.O. 1990, Chapter M.14 or the Public Lands Act, R.S.O. 1990, Chapter P.43

TO THE PROVINCIAL MINING RECORDER:

RE: MINING CLAIM (numbers) SSM 3009177 AND SSM 3009176

I/we the claim holder(s) CANADA ENERCO CORP, hereby consent to the disposition of the surface rights and waive my/our first rights to use the surface rights as provided in under Subsection 51(1) of the Mining Act for all or part(s) thereof, as shown outlined in red on the attached sketch, of the above noted claim(s). ONLY PART 1 AND PART 4 SHOWN OUTLINED IN RED ON THE ATTACHED JUNE 1, 2005 SURVEY BY PAUL H. TORRANI REF # 202-079-09

Signature of Recorded Holder or Company Officer [Redacted]	Date Nov. 22, 2005
Signature of Recorded Holder or Company Officer PER: TOM BRIVAS, PRESIDENT I HAVE THE AUTHORITY TO BIND THE CORPORATION	Date
Signature of Witness [Redacted]	Date Nov. 22/05

(July 2003)

Schedule "2"

THIS AGREEMENT dated January 19, 2009

BETWEEN:

THE CORPORATION OF THE CITY OF ELLIOT LAKE
(hereinafter called "Elliot Lake")

and

CANADA ENERCO CORP.
(hereinafter called "Enerco")

AGREEMENT

WHEREAS Enerco holds the mining rights to unpatented mining claims Nos. SSM4215303 and SSM4215313;

AND WHEREAS Elliot Lake requires certain of the surface rights therein for the purpose of a road to some cottage lots and a portion of the cottage lots themselves contained on the claim;

AND WHEREAS Section 51(1) of the Mining Act reads:

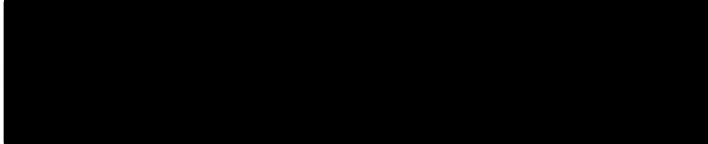
Where the holder of an unpatented mining claim consents to the disposition of the surface rights under the Public Lands Act, the recorder shall make an entry on the record of the claim respecting the consent, and thereupon the surface rights may be dealt with as provided in the Public Lands Act;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. [REDACTED] Canada Enerco Corp. shall execute a "Consent to the Disposition of Surface Rights" for those lands set out in red on the survey of the property by Paul H. Torrance Surveying Ltd. on December 22, 2008, as reference No. 2007-041.
2. [REDACTED] within seven (7) days from the date of the recorder confirming that the entry respecting the consent has been made on the record of the claim.
3. The parties agree to hold the information contained in the Agreement strictly confidential and hereby acknowledge that the failure to do so may result in actionable damages by the other party.

DATED at Toronto, Ontario this 12th day of January, 2009.

CANADA ENERCO CORP.
Per:

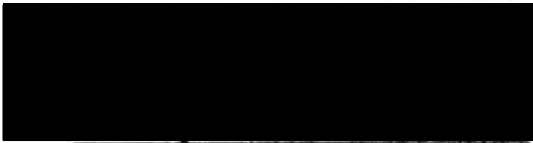


Tom Drivas, President

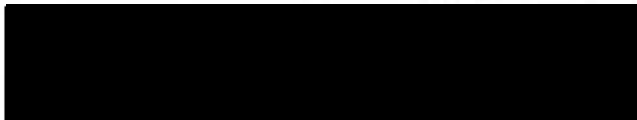
I have authority to bind the Corporation.

DATED at Elliot Lake, Ontario this day of January, 2009.

THE CORPORATION OF THE CITY OF ELLIOT LAKE
Per:



Rick Hamilton, Mayor



Lesley Sprague, City Clerk

We have authority to bind the Corporation.



Ministry of Northern Development and Mines

Consent to the Disposition of Surface Rights

Under the Mining Act, R.S.O. 1990, Chapter M.14 or the Public Lands Act, R.S.O. 1990, Chapter P.43

Information collected on this form is used to maintain a public record under section 51(2) of the Mining Act. Questions about this form should be directed to a Provincial Mining Recorder, Ministry of Northern Development and Mines, 3rd Floor, 633 Ramsey Lake Road, Sudbury, Ontario, P3E 6B5. Telephone number (1-866-415-8643 or (705) 670-5742.

TO THE PROVINCIAL MINING RECORDER:

RE: MINING CLAIM(S) SSM 4215303 + SSM 4215313

I/we CANADA EVERECO CORP. being all the recorded holders of the above-noted claims, hereby consent(s) to the disposition of the surface rights under the Public Lands Act with respect to all or part of such claims as shown outlined in red on Sketch attached hereto as Schedule A, subject to my/our maintaining prior rights to the use of the surface rights for prospecting and the efficient exploration, development and operation of the mines, minerals, and mining rights.

Signature of Recorded Holder or Company Officer (state position held)		Date
<u>[Redacted Signature] (Tom Drivas)</u>		<u>X OCT. 12/09</u>
Signature of Recorded Holder or Company Officer (state position held)		Date
<u>X</u>		
Print name of witness	Signature of witness*	Date
<u>X</u>	<u>X</u>	<u>X</u>

I have the authority to bind the Corporation.
Note: *The witness should know the recorded holder or ask for the person's identification before signing as the witness.

This form can be signed by:

- a) the recorded holder of the claims or by the holder's agent authorized by recorded instrument in writing.
- b) a corporation's authorized person, provided that either
 - (i) the corporation's seal is affixed to the form; or
 - (ii) the form contains a statement by the person that he or she has authority to bind the corporation.

**SCHEDULE “B”
TO THE ROYALTY AGREEMENT DATED FEBRUARY 2, 2012 BETWEEN CANADA
ENERCO CORP. (the “Royalty Holder”) AND APPIA ENERGY CORP. (the “Corporation”)**

SUBSEQUENTLY ACQUIRED CLAIMS

Township	Claim Number	Recorded Date	Due Date
Beange	4243832	September 12, 2008	September 12, 2012
Bouck	4218619	August 1, 2007	August 1, 2012
Buckles	4216851	November 13, 2007	November 13, 2012
Buckles	4216852	November 13, 2007	November 13, 2012
Buckles	4216869	November 13, 2007	November 13, 2012
Buckles	04216870 ⁽¹⁾	November 13, 2007	November 13, 2012
Buckles	4216871	November 13, 2007	November 13, 2012
Buckles	4216872	November 13, 2007	November 13, 2012
Buckles	4222197	February 19, 2008	February 11, 2012
Buckles	4222202	February 19, 2008	February 11, 2012
Buckles	4222203	February 19, 2008	February 11, 2012
Buckles	4226849	August 21, 2008	August 21, 2012
Buckles	4226852	August 21, 2008	August 21, 2012
Buckles	4228612	January 24, 2008	January 24, 2013
Buckles	4228970	February 19, 2008	February 19, 2012
Buckles	4228971	February 19, 2008	February 19, 2012
Buckles	4217961	February 19, 2008	February 7, 2012
Gunterman	4218458	February 19, 2008	February 7, 2012
Gunterman	4218459	February 19, 2008	February 7, 2012
Gunterman	4218461	February 19, 2008	February 7, 2012
Gunterman	4218620	August 1, 2007	August 1, 2012
Gunterman	4218621	August 1, 2007	August 1, 2012
Gunterman	4226850	August 21, 2008	August 21, 2012
Joubin	4226862	August 21, 2008	August 21, 2012
Joubin	4226863	August 21, 2008	August 21, 2012
Lehman	4243828	September 12, 2008	September 12, 2012
Beange	4248859	December 11, 2009	December 11, 2012
Beange	4248860	December 11, 2009	December 11, 2012
Bolger	4248857	December 11, 2009	December 11, 2012
Bolger	4248858	December 11, 2009	December 11, 2012
Bouck	4248854	December 11, 2009	December 11, 2012
Bouck	4248855	December 11, 2009	December 11, 2012
Gunterman	4248851	December 11, 2009	December 11, 2012
Gunterman	4248852	December 11, 2009	December 11, 2012
Gunterman	4248853	December 11, 2009	December 11, 2012

⁽¹⁾ This claim number was issued by the MNDM twice and the Ministry determined that the Appia claim should receive a “0” prefix to reduce confusion rather than issue a replacement claim number

SCHEDULE "C"
TO THE ROYALTY AGREEMENT DATED FEBRUARY 2, 2012 BETWEEN CANADA ENERCO CORP. (the "Royalty Holder") AND APPIA ENERGY CORP. (the "Corporation")

PATRIE CLAIMS

Claim Number	Number of Units	Township	Due Date
4215315	1	Buckles	December 21, 2015
4215314	5	Buckles	December 21, 2012
3019313	9	Joubin	February 2, 2013
4215313 ⁽¹⁾	9	Joubin	February 2, 2013
4215309	12	Joubin	December 29, 2012
3019312	15	Joubin	December 21, 2012

The Patrie Claims are subject to the 1% Uranium Production Royalty as set out in Section 8 and Schedule "B" to the Vending Agreement dated February 27, 2008 between Dan Patrie Exploration Ltd. and the Corporation.

⁽¹⁾ **SURFACE RIGHTS EXCLUSION**

The surface rights of this one (1) claim are the subject of an agreement between Canada Enerco Corp. and the Corporation of the City of Elliott Lake dated January 19, 2009 annexed to **Schedule "A"** hereto as **Schedule "2"**.

SCHEDULE "D"
TO THE ROYALTY AGREEMENT DATED FEBRUARY 2, 2012 BETWEEN CANADA ENERCO CORP. (the "Royalty Holder") AND APPIA ENERGY CORP. (the "Corporation")

ROYALTY

The Royalty Holder is hereby granted the following two (2) royalties:

1% URANIUM PRODUCTION PAYMENT ROYALTY AGREEMENT

THIS 1% URANIUM PRODUCTION PAYMENT ROYALTY AGREEMENT ("Royalty Agreement") is made and entered into effective November 1, 2007, by and between Canada Enerco Corp. (the "**Royalty Holder**") and Appia Energy Corp. (the "**Corporation**").

Recitals

This Royalty Agreement is granted and delivered in furtherance of the Corporation's obligations to the Royalty Holder under the Vending Agreement.

Agreement

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Corporation and the Royalty Holder agree as follows:

1.0 Definitions. Unless otherwise defined, all capitalized terms shall have the following meanings.

1.1 "**Commercial Production**" shall occur when production from the Elliot Lake Property has been operating at 60% or more of its design capacity per day for sixty consecutive days.

1.2 "**Effective Date**" shall mean November 1, 2007.

1.3 "**Elliott Lake Property**" means the Property as defined in the Vending Agreement, as amended.

1.4 "**Gross Value**" shall have the meaning set forth in Section 3.0.

1.5 "**Initial Processing**" shall have the meaning set forth in Section 7.0.

1.6 "**Market Value U₃₀₈**" shall have the meaning set forth in Section 3.0.

1.7 "**Notices**" shall have the meaning set forth in Section 10.5.

1.8 "**Other Mineral Products**" shall mean all minerals mined or extracted primarily for values derived from their content of minerals other than for Products, in the form of ores, mine waters, leachates, pregnant liquors, pregnant slurries, concentrated slurries, precipitates, whether in dry or slurry state, concentrates, or products beneficiated, upgraded or refined further than concentrates, and whether occurring in intimate depositional relationship with uranium and recovered as secondary values during the mining, extraction, processing, or treatment of Products.

1.9 “**Products**” shall mean uranium concentrates in the form commonly known as “yellowcake” or “ U_3O_8 concentrates” produced and processed either through an ion exchange or conventional processing produced and processed from metals, minerals, ores, mine waters, leachates, pregnant liquors and slurries, precipitates and concentrates in whatever form from the Elliot Lake Property.

1.10 “**Quarterly Statement**” shall have the meaning set forth in Section 4.1.

1.11 “**Royalty**” shall mean the Royalty as defined in Section 2.0.

1.12 “**Royalty Agreement**” shall mean that agreement between the Royalty Holder and the Corporation dated February 1, 2012 in respect of the Elliot Lake Property.

1.13 “**Sale**” shall have the meaning set forth in Section 4.1.

1.14 “**Vending Agreement**” means that agreement between the Royalty Holder and the Corporation dated November 1, 2007 in respect of the Elliot Lake Property as amended by the Royalty Agreement.

2.0 Grant of Production Payment Royalty.

2.1 *Production Payment Royalty.* If and when the spot price of uranium (U_3O_8) is greater than US\$130, from and after Commercial Production, the Corporation shall pay to the Royalty Holder a production payment royalty in the amount of one percent (1%) of the Gross Value of the Products produced at and sold from the Elliot Lake Property.

2.2 *No Milling Obligation.* The Corporation may, but is not obligated to, beneficiate, mill, sort, concentrate, refine, smelt, or otherwise process and upgrade any ores, concentrates and other mineral products from the Elliot Lake Property. The Corporation shall have the sole and exclusive right to determine the timing and the manner of any production of the Elliot Lake Property.

2.3 *No Burden on Ores; No Royalty in Kind.* The Royalty is a grant to a share of the proceeds of production from the Elliot Lake Property. The Royalty is not intended, and nothing in this Royalty Agreement shall be interpreted, to grant to the Royalty Holder any legal or beneficial ownership rights to or a burden upon any ores, concentrates or products located or produced from the Elliot Lake Property. The Royalty Holder shall have no right to take, or elect to take, the Royalty or value of the Royalty in kind by physical delivery of ores, concentrates or Products.

3.0 Gross Value.

3.1 *Sale of Products.* In the event the Corporation sells Products, “**Gross Value**” shall mean the actual proceeds of sale of such Products received by the Corporation.

3.2 *Disposal to Affiliate.* In the event the Corporation sells Products to a corporate affiliate, partner, or joint venturer; such Products shall be deemed to be disposed of without sale and Gross Value as hereinafter defined in this Section 3.2 shall apply to such disposal without sale.

(a) In the event of disposal without sale of any Products, “**Gross Value**” shall mean the Market Value of U_3O_8 (as hereinafter defined in this Section 3.2(a)) multiplied by the amount stated in pounds of uranium oxide (U_3O_8) contained in the particular Products so disposed of without sale. For

purposes of this Royalty Agreement, “**Market Value of U_3O_8** ” shall mean the average “ **UxU_3O_8 Price**” as quoted in U.S dollars in the Ux Weekly for the calendar month immediately preceeding the month of such disposal without sale. In the event that such prices or quotations, or their substantial equivalent, are not published therein or such publication ceases or is suspended, then “**Market Value of U_3O_8** ” shall mean the price or quotation for yellowcake for immediate delivery as reported in such other publication or source as is generally recognized in the mining industry as reflecting the price or quotation at which yellowcake is being offered for sale and purchase.

(b) In the absence of any such publication referenced in Section 3.2(a) above, “**Market Value of U_3O_8** ” shall be the mean of the domestic prices or quotations at which yellowcake is or was being offered for sale and purchase for immediate and forward delivery from the uranium mill or processing facility nearest the Elliot Lake Property or, in the event such prices or quotations are unavailable from said uranium mill or processing facility, the “**Market Value of U_3O_8** ” shall be determined by such other means as may establish such prices or quotations at the mean of the domestic prices or quotations at which yellowcake is being offered for sale and purchase for immediate and forward delivery.

3.3 *Hedging Profits and Losses Not Included in Gross Value.* Notwithstanding any other provision of this Royalty Agreement, the Corporation and the Royalty Holder intend and agree that for purposes of determination of the Royalty due hereunder, Gross Value shall mean the proceeds received by the Corporation from the sale and delivery of Product, including delivery made pursuant to a forward sales contract; but shall not include any profits, losses or transaction costs for any futures trading or commodity options trading or any other price hedging, price protection, derivative or speculative arrangements which may involve the possible delivery of Products produced from the Elliot Lake Property.

4.0 Manner of Payment.

4.1 *Royalty Payments.* Royalties shall accrue at the time of sale of Products from the Elliot Lake Property and in the amount as provided in Section 3.0 above. For purposes of this Section 4.1, “**sale**” means the date on which the Corporation receives payment for the sale of Products. Royalty payments shall become due and payable quarterly on the fifteenth day of the month following the last day of the calendar quarter in which the same accrue. Royalty payments shall be by the Corporation’s cheque or wire transfer, and shall be accompanied by a settlement sheet showing the quantities and grades of Products produced from the Elliot Lake Property for sale or processing, proceeds of sale, costs, and other pertinent information in sufficient detail to explain the calculation of the Royalty payment (“**Quarterly Statement**”).

4.2 *Objections to Payments.* All Royalty payments shall be considered final and in full satisfaction of all obligations of the Corporation with respect thereto unless the Royalty Holder gives the Corporation written notice describing and setting forth a specific objection to the calculation thereof within ninety (90) days after receipt by the Royalty Holder of the Quarterly Statement herein provided for. If the Royalty Holder objects to a particular Quarterly Statement as herein provided, the Royalty Holder shall, for a period of one hundred and twenty (120) days after the Royalty Holder’s receipt of the Quarterly Statement, have the right to have the Corporation’s accounts and records relating to calculation of the Quarterly Statement in question audited by a certified public accountant acceptable to the Royalty Holder and to the Corporation and subject to mutually acceptable confidentiality protection. The Corporation shall account for any deficits or excess in the payment made to the Royalty Holder pursuant to the Quarterly Statement in question which may be confirmed by such an audit by adjusting the next Quarterly Statement following completion of such audit to account for such deficits or excess. If the variation between the amount of a particular Royalty payment made to the Royalty Holder hereunder as

calculated by the audit provided for herein exceeds five percent (5%), the Corporation shall pay all costs of such audit. If such variation is five percent (5%) or less, the Royalty Holder shall pay all costs of such audit. For the purpose of determining the amount of royalties payable hereunder, all figures, accounts, and records used in connection with the calculation of royalties shall be determined in accordance with generally accepted accounting principles and from accounts maintained by the Corporation in connection with its operations at the Elliot Lake Property. Failure on the part of the Royalty Holder to make claim on the Corporation for adjustment in such 90-day period shall establish the correctness of the particular Quarterly Statement and preclude the filing of exceptions to such Quarterly Statement or making of claims for adjustment to such Quarterly Statement, and in the absence of fraud, the Royalty Holder expressly waives any claim or cause of action with respect to such Quarterly Statement.

5.0 Commingling of Ores. The Corporation shall have the right of mixing or commingling, either underground, at the surface, or at any processing mill, any ores, mine waters, leachates, pregnant liquors, pregnant slurries, or other products or compounds containing minerals mined or extracted from any sources or mining properties with any similar substances derived from other sources, lands or properties; provided that the Corporation shall weigh and sample such ores, products or compounds in accordance with sound mining and metallurgical practice for moisture and metal content before the same are so mixed or commingled. In computing the Royalty, ownership of the Product shall be allocated between the Corporation ore and other ore on the basis of the metal content and weight of the concentrate from each ore.

6.0 Sampling, Assay, and Analysis. Any determination of weight, volume, moisture content, amenability, or pay metal content, and any sampling and analysis shall be made in accordance with sound mining and metallurgical practices and standard sampling and analysis procedures prevailing in the uranium mining and milling industry. The Royalty Holder shall have the right to have a representative present at the time samples are taken. The Royalty Holder shall be furnished at the Royalty Holder's request with a portion of all samples taken for analysis of ore, leachates, pregnant liquors, or pregnant slurries or other compounds or products owned by the Corporation processed from the Elliot Lake Property. Split samples shall be retained by the Corporation for later analysis by an independent referee selected by mutual agreement of the parties and, in the event of a dispute concerning the Corporation's assay of samples, Royalty payments shall be based on the assay results determined by the independent referee. All statements or reports wherein the Corporation's assay of samples are set forth shall be conclusively presumed to be true and correct, unless, within sixty (60) days after such statements or reports are delivered to the Royalty Holder, the Royalty Holder makes written objection thereto and demands an assay by the independent referee; and unless such objection and demand is made within such sixty-day period, the Corporation shall have no duty to preserve the split samples after the end of such sixty-day period. The cost of the independent referee shall be paid by the party whose assay shows the greatest variance from that of the independent referee.

7.0 Waste Rock, Spoil and Tailings. Except for the Royalty payable on products provided here, the Royalty Holder shall have no rights, title or interest in all residue or tailings remaining after Initial Processing (defined below) and minerals from the Elliot Lake Property, or any subsequent processing of ores, such or other products or compounds of minerals. "**Initial Processing**" shall mean all processing of ores, mine waters, leachates, pregnant liquors, pregnant slurries, or other products or compounds of mineral prior to the time any residue thereof shall be first deposited in a tailings containment facility. The Corporation shall not be liable for mineral values lost in mining or processing pursuant to sound mining and metallurgical engineering practices. The Royalty shall be payable only on Products. All waste rock, spoil, tailings, or other mine wastes and residue shall be the sole property of the Corporation. The Corporation shall have the sole right to dump, deposit, sell, dispose of, or reprocess such waste rock, spoil, tailings, or other mine wastes and residues.

8.0 Access to Elliot Lake Property. Subject to the confidentiality provisions of this Royalty Agreement and all health and safety requirement imposed by the Corporation, which shall be enforced at the Corporation's sole discretion, the Royalty Holder and its representatives shall, at their sole risk and expense, upon reasonable advance notice to and prior approval from the Corporation have access to operations conducted by or on behalf of the Corporation at the Elliot Lake Property for the purposes of viewing or inspecting the same, provided that the Royalty Holder and its representatives shall indemnify the Corporation for any claims, losses or damages that arise out of or result from the Royalty Holder's presence or activities at the Elliot Lake Property.

9.0 Confidentiality. All information developed or acquired by the Royalty Holder under or pursuant to this Royalty Agreement relating to without limitation mineral discoveries, ore reserves, mining methods, plans and production schedules, terms of agreements, ownership interests and all other information relating to the ownership and operation of the Elliot Lake Property, as a result of the Royalty Holder's exercise of its rights hereunder, including its right to visit the Elliot Lake Property or audit the Corporation records relating to preparation of Quarterly Statements, shall be treated and kept as confidential and shall not be released or made public without the Corporation's express prior written consent, which consent may be withheld at the Corporation's sole discretion, provided, however, that nothing herein shall be construed to interfere with any responsibility of the Royalty Holder to make reasonable disclosures required under applicable securities or other laws. The Royalty Holder acknowledges and agrees that in the event of a breach of this covenant of confidentiality the remedy at law may be inadequate and, without limiting any other remedy available at law or equity, the Corporation may enforce this covenant through injunction, specific performance or other form of equitable relief or money damages or any combination thereof. The Corporation shall be entitled to recover the cost of enforcing this provision, including, without limitation, reasonable attorneys' fees and court costs.

10.0 General.

10.1 *Applicable Law.* This Royalty Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario without regard to the conflict of laws provisions thereof.

10.2 *Waiver.* The failure of either the Corporation or the Royalty Holder to insist on the strict performance of any provision of this Royalty Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Royalty Agreement or limit the Corporation's or the Royalty Holder's right thereafter to enforce any provision or exercise any right hereunder. A waiver of any provision of this Royalty Agreement shall not be effective unless in writing and signed by the party against whom it is to be enforced.

10.3 *Amendment.* No modification or amendment of this Royalty Agreement shall be valid unless made in writing and duly executed by the Corporation and the Royalty Holder.

10.4 *Severability.* If any term or other provision of this Royalty Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Royalty Agreement shall nevertheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Royalty Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

10.5 *Notices.* All notices and other required communications (“*Notices*”) to the parties to this Royalty Agreement shall be in writing, and shall be addressed respectively as follows:

- (a) If to the Royalty Holder: Canada Enerco Corp.
17 Didrickson Drive
Toronto, Ontario
M2P 1J7

- (b) If to the Corporation: Appia Energy Corp.
25 Adelaide Street East Suite 1010
Toronto, Ontario
M5C 3A1

Telefax: (416) 218-9772

All Notices shall be given (a) by personal delivery to the another party, (b) by electronic communication, with a confirmation sent by registered or certified mail, return receipt requested, or (c) by registered or certified mail, return receipt requested. Notices shall be effective and shall be deemed delivered on receipt if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery. A party may change its address by Notice to the other parties.

10.6 *Entire Agreement.* This Royalty Agreement contains the entire understanding of the Corporation and the Royalty Holder and supersedes all prior agreements and understandings between the Corporation and the Royalty Holder relating to the subject matter hereof.

10.7 *Assignment and Binding Effect.*

(a) The Royalty shall be assignable by the Royalty Holder. No change or division in the ownership of the Royalty or payment of proceeds attributable to the Royalty shall enlarge the obligations or diminish the rights of the Corporation. The Royalty Holder covenants that any change in ownership shall be accomplished in such a manner that the Corporation shall be required to make payments and to give notices to a single party or entity representing, and with the agency to act for, the owner or owners of the Royalty. Upon breach of this covenant, the Corporation may retain all payments of Royalty otherwise due to the Royalty Holder, its successors and assigns, until the breach has been cured. No change or division in ownership shall be binding on the Corporation until thirty (30) days after the Royalty Holder has given the Corporation a certified copy of the recorded instrument evidencing the change or division together with an enforceable agreement among the royalty owners appointing a single party as agent with the authority to act for all owners.

(b) The Corporation may assign all of its obligations and duties under this Royalty Agreement (i) upon transfer of fifty-one percent (51%) or greater of the Corporation’s interest in the Elliot Lake Property, or (ii) with the prior written consent of the Royalty Holder, which consent shall not be unreasonably withheld, and in each case upon a written assumption by the assignee of the Corporation’s obligations and duties hereunder.

(c) This Royalty Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Corporation and the Royalty Holder.

10.8 *Further Assurances.* Each party hereto shall take such actions and sign such documents reasonably requested by any other party hereto to enable such requesting party to enjoy the intended rights and benefits hereof.

10.9 *Third Parties.* Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the parties and their successors or assigns, any rights or remedies under or by reason of this Royalty Agreement.

10.10 *Counterparts.* This Royalty Agreement may be executed in two or more counterparts, each of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Royalty Agreement as of the Effective Date.

CANADA ENERCO CORP.

By: “Tom Drivas”
Title: President and CEO

APPIA ENERGY CORP.

By: “Tom Drivas”
Title: President and CEO

1% NET SMELTER RETURNS ON PRECIOUS OR BASE METALS

1. If the selling price of Uranium (U₃O₈) or other spot or long term price is greater than USD \$130 and if Uranium is mined from the Property and milled or concentrated by the Corporation or its successors in interest, it shall pay to the Royalty Holder or its successors in interest a royalty equal to one (1%) per cent of the net smelter returns realized, or deemed to be realized as hereinafter provided, from the sale or other disposition of concentrates, other than Uranium, derived from any precious or base metals associated with the Uranium mined or processed (referred to herein as "ore"). For the purposes hereof "net smelter returns" means the net amount paid by the smelter purchasing such concentrates, after deduction of the treatment charges, penalties and such other deductions made by the smelter from the full metal content of economically recoverable minerals contained in such concentrates and after deductions of the cost of delivering such concentrates from the concentrator to such smelter. In the event that such concentrates are sold to or further processed by the Corporation or the Royalty Holder or any affiliate or associate (within the meaning of the *Securities Act* (Ontario), as amended from time to time) of either of them or their respective successors in interest, the net smelter returns realized shall be deemed to be equal to the fair market value of such concentrates F.O.B. the concentrator, which shall be determined by using the prices and terms quoted by the smelter closest to the mine dealing at arm's length with the Corporation and the Royalty Holder and their respective successors in interest, making due allowances for the cost of delivering such concentrates from the concentrator to such smelter. In the event that ore mined from the Property is sold, as such, to the Royalty Holder or to a purchaser not dealing at arm's length with the Corporation or to their respective successors in interest, the net smelter returns realized shall be deemed to be equal to the gross metal value of economically recoverable minerals contained in such ore after deduction of the cost of delivering such ore from the minehead to the said purchaser.

2. Payments of the net smelter returns royalty shall be made at least quarterly within thirty (30) days after the calendar quarter for which the royalty is payable and shall be accompanied by reasonable details concerning the basis on which it was computed. The amount of any quarterly royalty may be estimated. Payment for the last quarter of the calendar year shall be subject to adjustment, further payments or repayments of royalty as the case may be by the party affected. The statement of net smelter returns royalty for the calendar year shall be audited at the expense of the Corporation or its successors in interest within ninety (90) days of the calendar year end by a firm of chartered accountants, which may be a firm used otherwise by the Corporation or its successors in interest. The Royalty Holder or their successors in interest shall have ninety (90) days after receipt of the audited statement for the calendar year to object thereto, and failing such objection the audited statement shall be final. In the event any objections so raised by the Royalty Holder or their successors in interest cannot be amicably resolved within sixty (60) days, they shall have the right to conduct, at their expense, an independent audit by another firm of chartered accountants, which may be a firm used otherwise by them, and if any objections remain after such audit has been conducted, the matter in dispute shall be submitted to arbitration, as provided for in this Schedule. Any payments or repayments or royalty required by any final audit shall be made immediately by the party affected.

**SIGNED SEALED and
DELIVERED**

) **CANADA ENERCO CORP.**
)
) "*Tom Drivas*"
) Per: _____
) A.S.O.
)
) **APPRIA ENERGY CORP.**
)
) "*Tom Drivas*"
) Per: _____
) A.S.O.