

GOLD LOAN AGREEMENT made on this 13th day of June 2013.

BETWEEN : BORBOLETTA FOUNDATION having an address at Postfach 1014, CH 8034, Zurich, Switzerland;

(hereinafter referred to as the "Lender")

AND: Auxico Resources S.A. de C.V and Auxico Resources Inc., having an address at 600 de Maisonneuve Blvd. West, Suite 2750, Montreal (Quebec) H3A 3J2 CANADA;

(hereinafter collectively referred to as "Borrower")

AND: Gencap Inc. having an address at 6150 Avenue du Boisé. Suite 7D, Montreal (Quebec) H3S 2V2

(hereinafter referred to as the "Guarantor")

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Loan**

The Lender hereby agrees to lend to the Borrower and the Borrower hereby accepts to borrow from the Lender a sum of three hundred thousand US dollars (US\$300,000) (the "Loan"), as per the following terms and conditions.

2. **Option**

The Lender will have the option to increase the Loan to a maximum of One million US dollars (US\$1,000,000).

3. **Payment**

- 3.1 The Loan shall be repaid on a quarterly basis starting sixty days after the start of the production of gold from the Zamora Property. The quarterly payments shall be equal to 7.5% of the net profits (after taxes) for each tranche of \$100,000 lent by the Lender (75% for a loan of US\$1,000,000) until full repayment of the Loan.
- 3.2 After the Loan is fully repaid, the Lender shall be entitled to receive, on a quarterly basis, an amount equal to 5% of the net profits (after taxes) for each tranche of \$100,000 lent by the Lender (50% for a loan of US\$1,000,000) until an amount equal to three times the

amount of the Loan is received by the Lender. After, the Lender shall be entitled to receive, on a quarterly basis, an amount equal to 2.5% of the net profits (after taxes) for each tranche of \$100,000 lent (25% for a loan of US\$1,000,000) thereafter for the life of the mine.

- 3.3 The payments described under this Section are referred collectively hereafter as the “Repayment”).
- 3.4 At any time, at the option of the Lender, he may choose to receive payment in gold or silver instead of cash. This payment, either in cash or in gold, will be made on a quarterly basis, on or before 60 days after the end of the quarter.

4. **Use of proceeds**

The Borrower confirms, agrees and undertakes to use the proceeds of the Loan for working capital purposes and for the development of the Zamora Property.

5. **Security**

- 5.1 As general and continuing collateral security for the Repayment by the Borrower, the Guarantor hereby grants a security interest in, hypothecates and pledges 16,666 common shares of the Borrower (Auxico) in favour of the Lender (the “Pledged Shares”), representing 33% of the issued and outstanding common shares of the Borrower.
- 5.2 The Guarantor shall deposit the Pledged Shares in the trust account of Abraham Urias and his Mexican law firm Urias Romero & Asociados, SC, having an address at Av. Ejército Mexicano 2004-Oficina 204, Col. Insurgentes C.P. 82018, Mazatlán, Sinaloa, MEXICO, who will be acting as Depositary.
- 5.3 At such time as Repayment is completed, the Lender shall send notice of Repayment to the Depositary who shall immediately release and return the Pledged Shares to the Guarantor.
- 5.4 Upon the occurrence of any Event of Default, the Lender shall have all mortgage rights and other remedies and recourses presently or in the future available under law for the protection and enforcement of its rights in respect of the Pledged Shares and, without limitation, the Lender shall be entitled to exercise the following rights which the Borrower hereby agrees to be commercially reasonable:
- (a) declare the Loan to be immediately due and payable without any further notice, presentment, protest or demand, all of which are expressly waived by the Borrower;
 - (b) become the absolute owner of the Pledged Shares or any part thereof in which event, the Guarantor, at the request of the Lender will sign a voluntary deed of transfer of ownership providing for the Borrower to take in payment the Pledged Shares or any part thereof;

- (c) at any time and from time to time, sell, assign and deliver or grant options to purchase all or any part of the Pledged Shares, or any interest therein, upon such terms and conditions and by way of one or more sales by private agreement, or otherwise as the Lender sees fit.

5.5 All monies collected by the Lender upon any sale or other disposition of the Pledged Shares, together with all other monies received by the Lender hereunder, or the transfer to the Lender of ownership of the Pledged Shares as provided for herein shall be applied against any amounts owing to the Lender at such time under the Loan.

5.6 The Borrower shall not sell, transfer or otherwise dispose of, grant any options with respect to, or hypothecate, mortgage, pledge or otherwise assign, transfer or encumber the Pledged Shares or any interest therein.

6. **Events of Default**

The occurrence of any of the following events shall constitute an event of default (each, an "Event of Default"):

- (a) any representation or warranty made by the Borrower in this Agreement shall be or become untrue or incorrect in any material respect;
- (b) the Borrower becomes insolvent, admits its inability to pay its debts generally as they become due, is judged or declared bankrupt or makes an assignment for the benefit of or an arrangement with his creditors under any bankruptcy, insolvency or similar law of the jurisdiction having competence over the Borrower;
- (c) proceedings are instituted for the winding-up, liquidation, dissolution or reorganization of the Borrower (otherwise than on terms previously approved in writing by the Lender) or for the appointment of a receiver, trustee, agent, or custodian for the Borrower or for any substantial part of its properties and assets; and
- (d) the Borrower, except in the ordinary course of business, sells, leases, transfers or otherwise disposes of all or any substantial part of its assets (whether by a single transaction or by a series) or all or any substantial part of its assets are seized or appropriated by or on behalf of any governmental or other authority or are compulsorily acquired.

The Borrower shall immediately notify the Lender in writing of the occurrence of any Event of Default.

7. **Depositary**

7.1 Until such time as the Lender forwards to the Depositary: (i) a prior written notice of its intention to exercise its recourse by virtue of the hypothec and pledge granted herein together with proof of service of same on the Borrower; and (ii) a written notice to the

effect that the delay to remedy the default provided in such prior notice has expired without the Borrower having remedied such default (collectively, the "Notice of Default"); or (iii) a written notice to the effect that the Loan has been paid in full (the "Notice of Payment"), the Depositary shall retain possession of the Pledged Shares.

- 7.2 Upon delivery of the Notice of Default to the Depositary, the Depositary shall immediately forward the Pledged Shares to the Lender.
- 7.3 Upon delivery of the Notice of Payment to the Depositary, the Depositary shall immediately forward the Pledged Shares to the Guarantor.
- 7.4 The Depositary shall be indemnified and held harmless jointly and severally by the Lender and the Borrower from and against any claim made against it by reason of its acting or failing to act in connection with any of the transactions contemplated hereby and against any loss, liability or expense, including reasonable attorneys' fees and other reasonable expenses it may incur in any action arising out of this agreement.
- 7.5 The Depositary shall have no liability for following the instructions contained or expressly provided for herein, or written instructions given jointly by the Lender and the Borrower pursuant thereto.

8. **Representations and Warranties of the Borrower**

The Borrower represents and warrants to the Lender that:

- (a) the Borrower is duly incorporated and validly existing under the laws of Mexico;
- (b) the Borrower has the corporate power and capacity to enter into this Agreement;
- (c) the Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement.

9. **Representations and Warranties of the Guarantor**

The Guarantor represents and warrants to the Lender that:

- (a) the Guarantor is duly incorporated and validly existing under the laws of Canada;
- (b) the Borrower has the corporate power and capacity to enter into this Agreement and to grant a security interest in the Pledged Shares and to perform its obligations under this Agreement;
- (c) the Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement;

- (d) there are no agreements or restrictions which in any way limit or restrict the pledge and transfer of the Pledged Shares;
- (e) the Borrower is the legal and beneficial owner of the Pledged Shares with good, marketable and transferable title, free and clear of any liens, encumbrances, hypothecs, privileges, restrictions or security interest of whatsoever nature and it does not own or hold the Pledged Shares on behalf or for the account of any other person; and
- (f) no third party has any option, warrant, right or privilege, or any agreement capable of becoming an option, warrant, right or privilege, for the purchase of any of the Pledged Shares.

10. **Notices**

Any notice required or permitted to be given by a party hereto to the other shall be deemed validly given if personally delivered or sent by facsimile transmission or by registered mail as follows:

- (a) if to the Lender :
Postfach 1014, CH 8034, Zurich, Switzerland
Attention: Mr. Peter Schriber
Fax number: +41-43-534-3496

With copy to:

Family Office AG, Gerechtigkeitsgasse 25, CH 8001, Zurich, Switzerland
Fax: +41-44-280-3031

- (b) if to the Borrower :
600 de Maisonneuve Blvd. West, Suite 2750, Montreal (Quebec) H3A 3J2
CANADA.
Attention: Pierre Gauthier.
Fax number: +1-514-866-6193

provided that the parties to this Agreement may from time to time notify the other in writing of a new address to which notices to it shall henceforth until further notice be given. Any notice so delivered, sent or mailed shall be deemed to be effected, if personally delivered, on the date of its delivery, if sent by facsimile transmission, on the date that the transmission is received, or if such date is not a business day, on the next business day, and if mailed, on the fifth business day following the date of mailing.

11. **Miscellaneous**

- 11.1 The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by any party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or

construed as, a further or continuing waiver of such term or covenant or as a waiver of any other term or covenant contained in this Agreement.

- 11.2 This Agreement shall be governed and construed in accordance with the laws of the Province of Québec.
- 11.3 The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof and any such invalid or unenforceable provisions shall be deemed to be severable.
- 11.4 This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective representatives, successors and assigns.
- 11.5 The parties confirm that they have required that this agreement be drawn up in the English language only. Les parties aux présentes confirment qu'elles ont exigé que la présente convention soit rédigée uniquement en langue anglaise.

IN WITNESS WHEREOF the parties have executed this Agreement at the place and date hereinabove mentioned.

Borboletta Foundation

Auxico Resources S.A. de C.V.

(s) Marta Nayvalt

(s) Pierre Gauthier

Per: Marta Nayvalt
Title: Curator

Per: Pierre R. Gauthier
Title: President

Auxico Resources Inc.

Gencap Inc.

(s) Pierre Gauthier

(s) Pierre Gauthier

Per: Pierre R. Gauthier
Title: President

Per: Pierre R. Gauthier
Title: President

INTERVENTION

Abraham Uria of Urias & Asociados SC agrees to act as Depositary and to hold the Pledged Shares in escrow on behalf of Borboletta Foundation in accordance with the provisions of this Agreement.

Dated this 13 day of June 2013

Urias & Asociados S.C.
Av. Ejército Mexicano 2004
Oficina 204, Col. Insurgentes
C.P. 82018, Mazatlán, Sinaloa
MEXICO

per: (s) Abraham Urias
Abraham Urias

Schedule A

List of Claims as per the Assignment of Mining Concessions Agreement between Felipe de Jesus Ortega, Alejandrina Luviano Castillo, Miguel de Jesus Ortega and Auxico Resources, S.A. de C.V. dated the 17th day of July, 2013.

- (1) Claim No. 225182 (lote "Mineral de Zamora")
- (2) Claim No. 224618 (lote "Campanillas"),
- (3) Claim No. 227400 (lote "Chio"),
- (4) Claim No. 227399 (lote "Gaby"),
- (5) Claim No. 224654 (lote "San Felipe").