

P.08. ZN CN. MT 31369

COPPER CONCENTRATE AGREEMENT

Date: April 17, 2008

Seller: GIBRALTAR MINES LTD., 1020-800 West Pender Street, Vancouver, BC, Canada, V6C 2V6 (hereinafter called "Gibraltar" or "Seller").

Buyer: MRI TRADING AG, a company organized and existing under the laws of Switzerland and having an office and place of business at Baarerstrasse 53, P.O. Box 4362, 6304 Zug, Switzerland (hereinafter called "Buyer").

NOW THEREFORE in consideration of the foregoing and the representations, warranties, covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS:

Annual Benchmark Terms = benchmark treatment charge and refining charge for copper as settled between main Japanese copper smelters and the major copper concentrate producers for each respective contractual Calendar Year

The treatment charge and copper refining charge during each Calendar Year in each Successive Period shall be determined, on the basis of those settled between main Japanese copper smelters and major copper concentrate producing mines during the fourth quarter of the prior Calendar Year and/or the first quarter of such Calendar Year under Calendar Year long term frame contracts.

If Buyer and Seller are unable to agree on the Japanese benchmark reference terms described above for any contract year, then the settlement of annual terms shall be the average of the Japanese Benchmark reference terms for such contract year with main Japanese copper smelters, as reported by CRU and Brook Hunt

Should such treatment charge and refining charge for copper not be quoted by such sources or should the settlements be quoted differently by such sources, then Buyer and Seller shall in good faith exchange information from other relevant sources to determine the settled terms to be referenced.

If Buyer and Seller are unable to agree, then the matter shall be referred to a Referee in accordance with Clause 21.

In the event the Annual Benchmark Terms referenced above are not known for a Calendar Year in time, the deliveries of copper concentrate shall continue and the terms of the previous Calendar Year shall be used for



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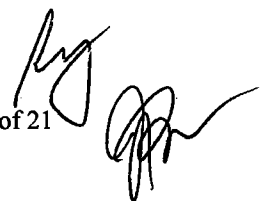
provisional invoicing purposes. Once the reference settlements have been reached an adjustment shall be made retroactively and an invoice raised and paid within ten business days of presentation.

Brook Hunt	=	Brook Hunt's monthly report entitled "Copper Metal Service"
Calendar Year	=	a period of twelve (12) consecutive calendar months commencing on January 1 of each year.
Charter Party	=	the contract of charter or affreightment entered into from time to time between Seller and the vessel's owner chartered or hired for the transportation of any shipment pursuant to this Agreement.
CRU	=	CRU International's monthly monitor entitled "Copper Raw Materials (Concentrates, Blister and Scrap)"
CIF	=	"Cost, insurance and freight", in accordance with Incoterms
CIFFO	=	CIF + FO
Date of Arrival	=	Calendar day on which the carrying vessel reports to Customs at discharge port as evidenced by the date that Notice of Readiness is tendered.
Date of Shipment-North America Inland	=	the last day of a month in which concentrate is shipped by rail
Date of Shipment-Ocean	=	Calendar day on which the vessel carrying copper concentrates has sailed from the named shipment port as specified on the Bill of Lading
Declared Quantity	=	the quantity of concentrate declared by the Buyer in accordance with Clause 4(d)(i).
Designated Port of Discharge	=	the port of discharge designated by the Buyer for the purpose of delivering the concentrate to the Buyer
Dry Metric Tonne (DMT)	=	2204.62 lbs. moisture excluded
FCA	=	"Free Carrier", in accordance with Incoterms.
FO	=	"Free Out", meaning that Buyer shall arrange for and bear the risk and expenses of unloading from the vessel's hold at the port of discharge
Free Pratique	=	official permission from the port health authorities that the ship is without infectious disease or plague and the crew is allowed to make physical contact with shore; otherwise the ship may be required to wait at quarantine anchorage for clearance
Grams per DMT (gr/DMT)	=	grams per dry metric tonne



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IMO	=	International Maritime Organization
Incoterms	=	ICC Incoterms 2000 as published in January, 2000 as Publication No. 560, by: ICC Publishing S.A. 38, Cours Albert 1er 75008 Paris, France
LBMA	=	London Bullion Market Association
LIBOR	=	The London Interbank Offered Rate as quoted by the British Banker's Association in the Financial Times
LME	=	London Metal Exchange
LOA	=	"Length Over All"
Metal Bulletin	=	the publication known as the "Metal Bulletin" and currently published twice a week in London, England, by Metal Bulletin plc.
Metric Tonne (MT)	=	1,000 kilograms
Month of Shipment	=	Month in which Date of Shipment occurs
Payable Copper Price	=	the average of all the official London Metal Exchange daily "cash settlement" prices for "Copper Grade A", expressed in Dollars per Tonne, quoted during the applicable Quotational Period.
Payable Gold Price	=	the average of all the official daily means of the LBMA initial and final gold quotations in United States dollars per ounce during the applicable Quotational Period as published in Metal Bulletin.
Payable Silver Price	=	the average of all the official daily LBMA spot silver quotations in United States cents per ounce during the applicable Quotational Period as published in Metal Bulletin
Quotational Period	=	the relevant period set out in Clause 8 for the determination of the price of concentrate payable under this Agreement
Scheduled Month of Shipment	=	the month advised from time to time by Seller to Buyer of the expected month for loading a shipment pursuant to this Agreement
Seller's Account	=	Name/number of account or such other account designated by the Seller
Troy Ounce	=	31.1035 grams
Unit	=	an amount equal to one (1%) percent of the final copper content or 22.0462 lbs of copper per DMT



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Wet Metric Tonne (WMT) = 2204.62 lbs. moisture included

Any trade terms not otherwise defined herein shall be in accordance with Incoterms. The defined terms herein shall prevail.

2. MATERIAL AND QUALITY:

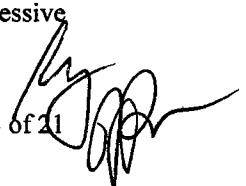
- a. The Seller hereby agrees to sell and the Buyer hereby agrees to purchase Gibraltar copper concentrate as produced by the Gibraltar Mine and assaying, approximately as follows:

Cu:	27.0% - 30%
Ag:	30 - 50 gr/DMT
Au:	0.3 - 0.7 gr/DMT
Fe:	24 - 30 %
S:	30 - 34%
SiO ₂ :	4 - 5%
Al ₂ O ₃ :	1 - 1.5%
CaO:	0.5 - 0.8 %
MgO:	0.2 - 0.3%
Pb:	Less than 0.01%
Zn:	Less than 0.01%
As:	Less than 0.1%
Sb:	Less than 0.1%
Cd:	Less than 0.01%
Bi:	Less than 0.01%

- b. The copper concentrate shipments shall be otherwise materially free of deleterious impurities and elements that would have a major deleterious effect on the receiving smelter's processing operations.
- c. Concentrate shall be in free flowing form. Seller shall ensure that the moisture content is less than the concentrate Transportable Moisture Limit ("TML"), as per IMO Code of Safe Practice for Solid Bulk Cargoes and greater than 5% to minimize any dusting issue.

3. DURATION:

- a. This Agreement will have an initial term (the "Initial Term") as follows:
- commencing on the first day of the month following the date that, according to the Seller, the loading of the last shipment of copper concentrate to Glencore under the Seller's previous concentrate sales contract is completed, which date will be provided in a written notice from the Seller to the Buyer and is anticipated by the Seller to be in or about October of 2008 (the "Commencement Date"), and
 - expiring on December 31, 2014.
- b. This Agreement will thereafter operate on an evergreen basis and be renewed automatically on an annual basis for successive periods of one (1) year in duration (each a "Successive Period") following the end of the Initial Term, and following the end of each Successive Period, unless:



- i. written notice of termination is provided by either party on or before June 30, 2014 (Vancouver time), if either the Buyer or the Seller elects to terminate this Agreement upon completion of the Initial Term; and
- ii. in the case of each Successive Period, unless written notice of termination is provided by either party by 5:00pm Vancouver time on a day which is at least six months before expiry of that Successive Period.

on all the same terms and conditions as contained herein, except Clause 7 *Price* shall be amended as follows:

- i. The treatment charge ("T/C") shall be amended from [REDACTED]
- ii. The copper refining charge ("R/C") shall be amended from [REDACTED]
- iii. All other terms and conditions under this Agreement shall remain unchanged during each Successive Period.

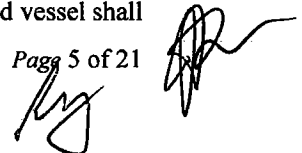
4. DELIVERY:

- a. The Seller shall deliver to the Buyer concentrate, CIFFO major North Chinese port, or parity.
- b. The Buyer has the option of taking the concentrate FCA Gibraltar Mine's concentrate loading facility near Williams Lake, BC, for shipment within North America, to be declared sixty (60) days prior to the Scheduled Month of Shipment. Seller will advise Buyer of the CIFFO parity to be applied always providing that the Seller is able to allow such without compromising any Charter Party then in force. Such CIFFO parity will be determined by the Seller based on any Charter Party rate that may be in force, or failing such being applicable, then prevailing spot ocean freight rates for 10,000 WMT shipments to major North Chinese ports at the time of the declaration shall be utilized together with, but not limited to, rail freight and port handling fees and any other relevant charges or costs. In the event of disagreement between Buyer and Seller in determining such spot ocean freight rates, the rates will be determined by the Referee in accordance with Clause 21.
- c. Notwithstanding Clause 4.b. hereof, in the case of FCA shipment within North America, for establishing the CIFFO parity cost of freight to be allowed by the Seller to the Buyer, the Seller shall be obligated for a maximum of the lesser of (i) the actual freight costs per tonne incurred in shipping by rail, and (ii) the CIFFO parity costs to be established as herein provided of ocean freight, rail freight and port handling fees and any other relevant charges or costs per tonne to a major North Chinese port. In the event of disagreement between Buyer and Seller on such rates, the rates will be determined by the Referee in accordance with Clause 21.
- d. Provisions Applicable to CIFFO Shipment
 - i. The Seller shall charter a single deck bulk carrier for the purpose of delivering the concentrate to the Buyer at the port of discharge designated by the Buyer ("Designated Port of Discharge"). The Designated Port of Discharge together with the quantity (the "Declared Quantity") are to be designated by the Buyer no later than thirty (30) days prior to the Scheduled Month of Shipment. The chartered vessel shall



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be subject to Buyer's approval and such approval shall be given within twenty four (24) hours and shall not be unreasonably withheld. Exceeding LOA and draft restrictions shall be the only basis for not accepting a nominated vessel. Such restrictions for major North Chinese concentrate ports or other Designated Ports of Discharge as the case may be shall be in line with such restrictions customarily applied at such port.

- ii. Buyer shall be responsible for discharging the concentrate at Buyer's own risk and expense. This includes the arrangements for and expenses (including stevedoring expenses) of discharging from the vessel the copper concentrate delivered hereunder FO. The Buyer shall guarantee one safe and accessible berth in the Designated Port of Discharge, "always afloat" for vessels up to the maximum dimensions as provided herein. Buyer guarantees a discharge rate of 3,000 WMT or such rate then currently in force in accordance with international practice at such Designated Port of Discharge if higher per weather working day of twenty-four (24) consecutive hours, excluding Sundays and local and smelter holidays if customarily observed in such Designated Port of Discharge, unless (a) the relevant vessel is worked in such days in which event actual time used shall count as laytime used; or (b) the relevant vessel is already on demurrage in which event all such time shall count as time on demurrage.
- iii. Notice that the vessel is ready to discharge ("Notice of Readiness") shall be tendered to Buyer's nominated agent at each Designated Port of Discharge, "whether in berth or not", provided that the vessel has received Free Pratique and in all other respects is ready to discharge during regular working hours, 08:00 to 17:00 hours Monday to Saturday. If due to unavailability of the discharging berth or congestion at the Designated Port of Discharge the vessel cannot enter the Designated Port of Discharge to tender a Notice of Readiness under the provisions of "whether in berth or not", the vessel, after reaching the usual waiting place for the Designated Port of Discharge outside the physical limits of such port, may tender a Notice of Readiness as provided in this paragraph.
- iv. Laytime at the Designated Port of Discharge shall commence at 13:00 hours on the same day if Notice of Readiness is given during office hours on or before 12:00 hours on Monday through Saturday and 08:00 hours on the next working day if Notice of Readiness is given during office hours after 12:00 hours on Monday to through Saturday unless the discharging work commences sooner, in which case actual time used shall count as laytime.
- v. The bill of lading weight in WMT shall be used when calculating time allowable for discharge. Laytime shall terminate upon completion of unloading.
- vi. Time lost in waiting for a berth or at the request of the relevant port authority, moving on or off a berth or from one berth to another shall count as laytime used. However, if such request is, for any reason whatsoever, attributable to the vessel, time lost in moving on or off a berth or from one berth to another shall not count as laytime used.
- vii. Any time lost in discharging due to repairing vessel's equipment or by the fault of the vessel, its owner, master or their agents shall not count as laytime or time on demurrage.
- viii. Each vessel shall open and close hatches and remove and replace beams at the vessel's risk and expense, and the time used for such purpose shall not count as laytime used at the Designated Port of Discharge.
- ix. Buyer shall have the right to work at one time all hatches which are then available for safely discharging the vessel.



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- x. If the concentrate is carried on the same vessel as other cargo to be unloaded at the Designated Port of Discharge belonging to other shipper(s), laytime for the discharge of the second cargo shall commence two hours after completion of the discharge of the first cargo unless discharging of the second cargo is sooner commenced. If the discharge of the first cargo is completed after office hours, laytime for the second cargo shall commence at 08:00 hours on the next working day, unless sooner commenced, in which case actual laytime shall count as laytime used. Any waiting time for berth at the Designated Port of Discharge shall be prorated between each shipper based on the quantity of each cargo the vessel is carrying.
 - xi. Demurrage shall be at the rate as specified in any Charter Party negotiated by Seller, but shall be reasonably representative for rates then applicable for other similar voyages to the Designated Port of Discharge by similar vessels. Despatch shall always be half of demurrage. For the avoidance of doubt, at the Designated Port of Discharge demurrage shall be for Buyer's account and despatch shall be for the benefit of Buyer. Calculation of allowed laytime in respect of a lot for the purposes of determining the demurrage and despatch shall be based on Bill of Lading weight of such lot in WMT and a discharge rate referred to above.
 - xii. Claims, if any, for stevedores' damage shall be settled directly between Seller and stevedores. Notwithstanding such provision, Buyer shall use best efforts to facilitate any damage resolution.
 - xiii. The vessel, if required by Buyer, shall provide cranes and / or motive power therefor at all times, and shall supply lights for night work on board, all free of expense to Buyer.
- e. Provisions Applicable to FCA Shipments
- i. Seller shall deliver concentrate in trucks from the Seller's mine site to a loading facility to be agreed. Parity will be determined in accordance with Clause 4.b. above.
 - ii. If the entire shipment is not lifted by the final day of the month of scheduled shipment, due to Buyer's fault, then Buyer agrees to pay the Seller US\$3.00 per tonne per month (fraction pro rata), in storage costs.
 - iii. Buyer will compensate Gibraltar in full for all costs and penalties incurred by Gibraltar in respect of the storage reservation fees and minimum shipment commitments that Gibraltar incurs as a consequence of Buyer instructing Gibraltar to ship the concentrate within North America. The Seller will notify the Buyer of changes to these fees. For greater certainty, any costs, charges or fees in this paragraph 4.e.iii are in addition to any parity costs as per paragraph 4.c.
 - iv. The compensation costs will escalate to reflect any logistical and advisory services agreement between Gibraltar and third parties, and Vancouver Wharves or any such other agreement in place that may apply. For greater clarity, the cost will be the actual cost to Gibraltar, which may change over time.

5. QUANTITY:

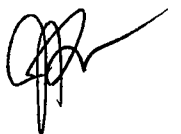
- a. The estimated quantity of copper concentrate to be purchased and sold under this Agreement is the total production, up to a maximum of [REDACTED] per Calendar Year, of the Gibraltar Mine over the term of this Agreement, which production is expected to be achieved by increasing from existing current production levels.



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- b. Notwithstanding the foregoing, the Seller reserves the right, in its sole discretion, to reduce this amount by up to [REDACTED] for any one or more 12 month periods contemplated hereunder upon 150 days written notice, which notice can be given on or before December 31, 2009, to the Buyer. Seller will be free to deal with the concentrate retained from such reduction at its discretion.

6. SHIPMENT:

- a. Where Delivery is CIFFO then shipments shall be made in lots of 5,000 WMT to 20,000 WMT at Seller's option, with Seller's option of +/- 5% on the Declared Quantity. Where Buyer exercises the Delivery FCA option then the Declared Quantity shall also apply.
- b. A preliminary annual shipping schedule shall be agreed for the quantity as contemplated under Clause 5 above, and shall be spread approximately evenly over the Calendar Year (or portion thereof as applicable).

7. PRICE:

- a. The purchase price of the concentrate shall be the total of the payments for the contained payable metals less the deductions as specified hereunder.

b. Payable Metals

i. Copper:

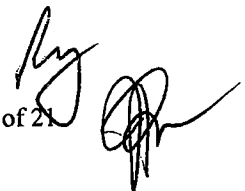
- [REDACTED] of the final copper content subject to a minimum deduction of 1 Unit shall be paid at the Payable Copper Price.

ii. Gold:

- If final gold content as per final assay is less than or equal to 1 gr/DMT, no payment shall be made.
- If final gold content as per final assay exceeds [REDACTED] of the final gold content shall be paid by Buyer to Seller (no minimum deduction to apply) shall be paid at the Payable Gold Price.

iii. Silver:

- If final silver content as per final assay is less than or equal to 30 grams/DMT, no silver payment shall be made.
- If final silver content as per final assay exceeds 30 gr/DMT, 90% of the final silver content shall be paid by Buyer to Seller (no minimum deduction to apply) shall be paid at the Payable Silver Price.



c. Deductions

i. There shall be a deduction for the following treatment and refining charges:

Period	Copper treatment charges (US\$ per DMT)	Copper refining charges (US\$ per payable pound of copper)
To December 31, 2008	[REDACTED]	[REDACTED]
Calendar Year 2009	[REDACTED]	[REDACTED]
Calendar Year 2010	[REDACTED]	[REDACTED]
January 1, 2011 to December 31, 2014	[REDACTED]	[REDACTED]

- Gold Refining Charges [REDACTED] per troy ounce of payable gold.
- Silver Refining Charges [REDACTED] per troy ounce of payable silver.

d. Price Participation

No price participation shall be applicable to the purchase and sale of concentrate under this Agreement.

8. QUOTATIONAL PERIOD:

a.



b.

c.

9. PAYMENT:

- a. All invoices shall be calculated in United States Dollars and all payments by Buyer for concentrates sold hereunder shall be made in United States Dollars in immediately available and freely transferable funds by means of electronic transfer to the Seller's Account. Notwithstanding Clause 23 "Set off" herein, Buyer shall make payments for concentrates sold hereunder without set off.

Bank charges, if any, levied by Buyer's bank or due to Buyer's fault in respect of payments hereunder shall be for the account of Buyer. Bank charges, if any, levied by Seller's bank or due to Seller's fault in respect of payments hereunder shall be for the account of Seller.

b. Provisional payment - Delivery CIFFO

Buyer shall make a provisional payment of 100% of the estimated purchase price calculated in accordance with Clause 7 hereof (the "Provisional Payment") not later than fifteen (15) calendar days following the Bill of Lading Date with respect to any ocean shipment against Seller's presentation of the following documents at Buyer's office or Buyer's nominated bank counter:

- i. Seller's provisional invoice, the value of which shall be calculated on the basis of:
 1. The loaded dry net weight of the shipment;
 2. The Seller's estimated assays for payable metals in the shipment
 3. The provisional gross value of the total quantity of payable metals, less the deductions all determined pursuant to Clause 7.
 4. Prices for the one full calendar week prior to the date of the bill of lading.
- ii. A full set of clean on board ocean bills of lading marked "freight payable by Seller as per Charter Party.
- iii. Weight and assay certificates issued by Seller.
- iv. An insurance certificate for 110% of the CIF invoice value stipulated in Article 7.

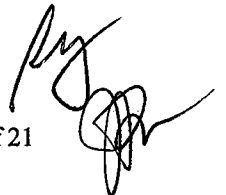
c. Provisional payment - Delivery FCA

In the event of delivery FCA, the Buyer shall make a provisional payment of 100% of the estimated purchase price calculated in accordance with Clause 7 hereof (the "Provisional Payment") not later than fifteen (15) calendar days following the Railway Bill Date with respect to any shipment against Seller's presentation of Seller's invoice, at Buyer's office or Buyer's nominated bank's counter, the value of which shall be calculated on the basis of:

- i. The loaded dry net weight of the shipment.
- ii. The Seller's estimated assays for payable metals in the shipment.
- iii. The provisional gross value of the total quantity of payable metals, less the deductions all determined pursuant to Clause 7.
- iv. Average copper, gold and silver prices for the one full calendar week prior to delivery FCA.
- v. Railway Bills.
- vi. Weight and assay certificates issued by Seller.

d. Advance payment

- i. Seller shall have the option to receive an advance payment as follows:

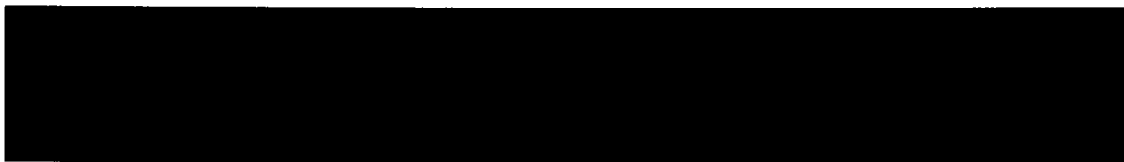
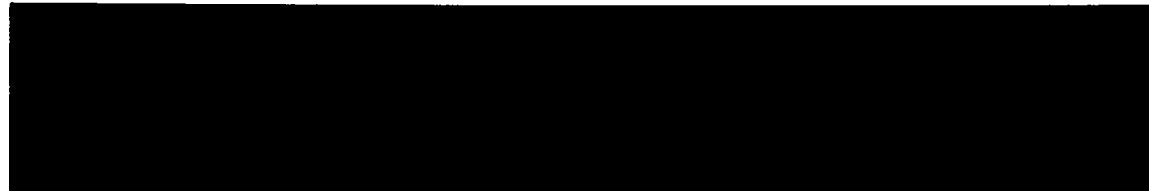


1. For delivery CIFFO major North Chinese port or parity shipments - 90% of the estimated value shall be paid to Seller for each lot of 2,500 WMT (lots of 2,500 WMT are for payment purposes only) produced and stockpiled at Vancouver Wharves. Payment shall be made upon Seller's presentation of the following documents:
 - a. Legally enforceable Seller's Holding and Title Certificate (as per attached Annex No. 1 – Holding and Title Certificate) countersigned by independent surveyor and accompanied by independent surveyors report confirming that the material is stored at Vancouver Wharves. The Holding and Title Certificate shall confirm that the title has been irrevocably transferred to the Buyer. Seller shall also confirm that the material is segregated from other material, is stored in a clean secure storage area and is clearly marked as Buyer's property. Buyer has the right, prior to payment being effected, to appoint and send an independent supervision company to Vancouver Wharves to confirm above conditions as advised by Seller have been adhered to.
 - b. Seller's provisional invoice, using provisional prices for the one full calendar week prior to the date of the invoicing.
 - c. Seller's provisional weight and moisture certificate.
 - d. Provisional assay certificate.
 - e. Any other document(s) reasonably and customarily required by Buyer with prior acceptance by Seller.
2. For delivery FCA North America Inland - 90% of the estimated value shall be paid to Seller for each lot of 2,500 WMT (lots of 2,500 WMT are for payment purposes only) loaded onboard a railcar during the shipment month. Payment shall be made upon Seller's presentation of the following documents:
 - a. Seller's provisional invoice, using provisional prices for the one full calendar week prior to the date of the invoicing.
 - b. Seller's provisional weight and moisture certificate.
 - c. Provisional assay certificate.
 - d. Railways Bills.
 - e. Any other document(s) reasonably and customarily required by Buyer with prior acceptance by Seller.
3. Buyer shall levy interest on 90% advance payment from the payment value date through fifteen (15) days after Railway Bill Date at three (3) month USD LIBOR rate +1%.
4. Any advance payment made in respect of a Delivery CIFFO or Delivery FCA shall be deducted from the Provisional Payment for the corresponding shipment.



d. **Final Payment**

The owing party shall make the final payment three (3) days after Seller's presentation to Buyer of the final invoice for each shipment, which shall be based on final weights, assays and prices.



10. **TITLE AND RISK:**

- a. Title passes from Seller to Buyer upon Buyer's provisional or advance payment.
- b. Risk will pass from Seller to Buyer effective past ship's rail at Seller's loading facility or loaded onboard a railcar in case of FCA shipments.

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11. INSURANCE:

Seller shall cover insurance from the time when the risk of loss of concentrate passes to Buyer until arrival at discharge port, as evidenced by the Date of Arrival, in favour of the Buyer, in the amount of 110% of the provisional CIF value. An internationally recognized first class insurance company will be used. For greater certainty, Buyer is responsible for insurance after risk passes under an FCA shipment.

12. TOTAL/PARTIAL LOSS:

a. Total Loss

- i. Should any shipment be lost prior to risk passing from Seller to Buyer (as set out in Clause 10. *Title And Risk* above), then any payment made by Buyer to Seller for such lost cargo will promptly be repaid by Seller to Buyer in U.S. Dollars in accordance with Buyer's instructions, and the title will transfer back to Seller.
- ii. Should any shipment be lost prior to risk passing from Seller to Buyer (as set out in Clause 10. *Title And Risk* above), then the Date of Arrival of the carrying vessel at discharge port shall be considered as vessel's original scheduled Date of Arrival at the port of final destination as indicated at time of sailing from the port of loading.
- iii. In case of total loss of a shipment after risk has passed from Seller to Buyer, final settlement shall be made as soon as the necessary details are available on the following basis:
 1. For shipments where weighing, sampling and moisture determination have been carried out at loading port or at the Seller's warehouse settlement will be made in accordance with the terms of this Agreement.
 2. For shipments where weighing, sampling and moisture determination were expected to be carried out at receiving smelter, settlement will be based on the shipped weight and moisture, the provisional assays determined by an independent laboratory on the shipped concentrates and otherwise in accordance with the terms of this Agreement.

b. Partial Loss

- i. In the event of partial loss of and/or damage to a cargo due to insured perils prior to risk passing from Seller to Buyer (as set out in Clause 10. *Title And Risk* above), then any payments made by Buyer to Seller for such lost cargo will promptly be repaid by Seller to Buyer in U.S. Dollars in accordance with Buyer's instructions, and the title will transfer back to Seller.
- ii. In the event of partial loss of and/or damage to a cargo due to insured perils after risk has passed from Seller to Buyer (as set out in Clause 10. *Title And Risk* above), final settlement shall be made along with the final payment for the non-damaged or lost portion as follows:
 1. For shipments where weighing, sampling and moisture determination have been carried out at loading port or at the Seller's warehouse settlement will be made in accordance with the terms of this Agreement.
 2. For shipments where weighing, sampling and moisture determination were expected to be carried out at receiving smelter, settlement will be based on



the shipped weight and moisture, the provisional assays determined by an independent laboratory on the shipped concentrates and otherwise in accordance with the terms of this Agreement.

13. WEIGHING, SAMPLING AND MOISTURE DETERMINATION:

a. Weighing, Sampling And Moisture Determination By The Seller.

For the purposes of the provisional invoice:

- i. The Seller shall, for the purposes of the provisional invoice, at Seller's own expense and option, arrange at the load-port for the weighing of the copper concentrate, using internationally accepted practices.
- ii. The Seller shall also for the purpose of the provisional invoice, at Seller's own expense at the load-port, carry out moisture determination, sampling and analysis in accordance with internationally accepted practices.
- iii. The Buyer shall have the right to be represented at the weighing, sampling and moisture determination operations carried out by the Seller, at the Buyer's own expense.

b. Shipments to Major Japanese, Korean, Philippine, North American (USA and Canada) and Major European Ports

- i. For shipments to Major Japanese, Korean, Philippine, North American (USA and Canada) and Major European ports weighing, sampling, and moisture determination shall be carried out at discharge port (in the case of North America at the receiving smelter) in the customary manner and in accordance with the applicable internationally accepted practices. Seller may be represented at these operations at Seller's own expense.
- ii. The weight and moisture so determined shall be final for settlement.
- iii. Sampling shall be made in lots of approximately 500 WMT unless otherwise mutually agreed.
- iv. Samples weight shall be 250 grams unless otherwise mutually agreed.
- v. Four complete sets of sealed samples from each lot shall be provided for the purpose indicated below:
 1. One (1) complete set for the Seller
 2. One (1) complete set for the Buyer
 3. Two (2) complete sets to be retained by an independent agency in suitable airtight containers, properly sealed and labeled, of which one sample shall be for umpire assaying and the other sample as a replacement for any lost or damaged sample.

c. Shipments to China and Exotic Ports

- i. For shipments to China and exotic ports weighing, sampling, and moisture determination shall be carried in the customary manner and in accordance with the applicable internationally accepted practices, but the weight shall be determined as



the greatest of (1) load port scale weight less a franchise of 0.15% and (2) load port draught survey (if a draught survey is done) weight less a franchise of 0.15%. Buyer may be represented at these operations at Buyer's own expense.

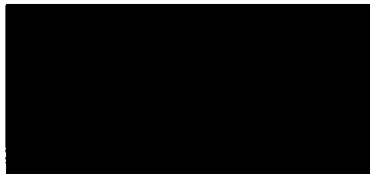
- ii. Such dry weight so determined shall be final for settlement.
 - iii. Sampling shall be made in lots of approximately 500 WMT unless otherwise mutually agreed.
 - iv. Samples weight shall be 250 grams unless otherwise mutually agreed.
 - v. Four complete sets of sealed samples from each lot shall be provided for the purpose indicated below:
 - 1. One (1) complete set for the Seller
 - 2. One (1) complete set for the Buyer
 - 3. Two (2) complete sets to be retained by an independent agency in suitable airtight containers, properly sealed and labeled, of which one sample shall be for umpire assaying and the other sample as a replacement for any lost or damaged sample.
 - vi. Buyer and Seller agree to mutually investigate weighing, sampling and moisture determination operations in Chinese or other ports during the life of this Agreement with the intention to confirm if those operations are in compliance with industry standards, on a port-by-port basis.
- d. FCA Shipments
- i. The Seller, for the purpose of provisional invoice shall use railcar load weights. The Seller shall also, at Seller's expense and option arrange for sampling at the railcar facility.
 - ii. Weighing and sampling for assay and moisture shall be carried out for each shipment in accordance with internationally accepted practices by the Buyer at the receiving smelter in question and at the Buyer's expense. A lot size shall comprise of five railcars or as mutually agreed.
 - iii. Seller shall have the right to be represented, at Seller's expense, at the operations described above.
 - iv. Four complete sets of sealed samples from each lot shall be provided for the purpose indicated below:
 - 1. One (1) complete set for the Seller
 - 2. One (1) complete set for the Buyer
 - 3. Two (2) complete sets to be retained by an independent agency in suitable airtight containers, properly sealed and labeled, of which one sample shall be for umpire assaying and the other sample as a replacement for any lost or damaged sample.



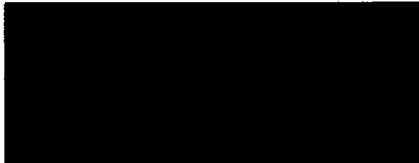
14. ASSAYS:

- a. From the samples obtained in accordance with Clause 13, Buyer and Seller shall each make their own assays, which shall be exchanged between Buyer and Seller in an agreed manner as soon as possible after receipt of samples, but in any event not later than twenty eight (28) days after the relevant portions were made available to the Seller. The Seller shall provide its assays to the Buyer in trust for exchange with the receiving smelter if the Buyer is not the receiving smelter or does not control same.
- b. The exact arithmetic average (the "mean") of Buyer's and Seller's assays shall be final except when the following splitting limits are exceeded for any lot(s):
 - Copper: 0.20 percent
 - Silver: 5.00 gr/DMT
 - Gold: 0.50 gr/DMT

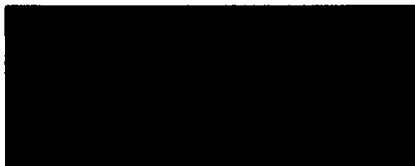
in which event, an umpire assay shall be performed for such lot(s) in rotation lot by lot by two of the following:



or



or



on the samples reserved for that purpose.

- c. Should the umpire assay fall between the results of the two parties, the arithmetical mean of the umpire assay and the assay of the party which is nearer to the umpire assay shall be taken as the final assay.
- d. Should the umpire assay coincide with either one, the umpire assay shall be taken as the final assay.
- e. Should the umpire assay fall outside the results of the two parties, the assay of the party which is nearer to the umpire assay shall be taken as the final assay.
- f. The cost of the umpire assay shall be paid by the party whose assay is farthest from the umpire assay, and shall be shared equally if the umpire is the exact mean of the parties' assays.

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15. FORCE MAJEURE:

a. Effect of Force Majeure

The total or partial failure or delay by Seller in the performance of any term, condition or covenant contained in this Agreement, shall be excused and the Seller shall incur no liability in relation thereto, if such failure or delay is caused by one of the following events and such event is beyond the reasonable control of the Seller and could not have been avoided by steps which would reasonably have been expected to have been taken by the Seller:

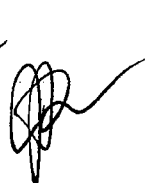
- i. an act of God, nature or the public enemy, fire, explosion, perils of the sea, flood, and slide, epidemic, earthquake, war (civil or otherwise), riot, sabotage, adverse weather conditions, accident, or embargo;
- ii. interruption or delay in transportation, inadequacy or shortage or failure of normal sources of supply of materials or equipment, breakdowns in equipment or facilities (including port facilities), labour trouble arising from whatever cause;
- iii. strikes, labour shut-downs or other work stoppages, labour shortages, combination of workmen, interference of trade union, suspension of labour, lock-out or other labour trouble arising from whatever cause;
- iv. an act of eminent domain, expropriation, or nationalism;
- v. any restrictions upon delays in receiving or failures to receive any permits, licenses or approvals from any government agency;
- vi. action of any government, including without limitation the passage of new legislation, court orders and future orders (lawful or otherwise) of any regulatory body having jurisdiction;
- vii. protests or demonstrations by environmental lobbyists, first nations or indigenous peoples groups; or
- viii. without limitation to the foregoing circumstances, any circumstance of like or different character beyond the reasonable control of the Seller,

each, an "Event of Force Majeure".

b. Notice of Event of Force Majeure

The Seller, when claiming an Event of Force Majeure, shall give written notice thereof to the Buyer indicating the cause of such Event of Force Majeure, the date of commencement of such Event of Force Majeure, and the estimated duration (if practical) of such Event of Force Majeure. The Seller, when claiming an Event of Force Majeure, shall give further written notice to the Buyer

- (i) from time to time as to the progress in remedying such Event of Force Majeure and as to the time that the Seller expects to resume performance of its obligations hereunder, and
- (ii) immediately after such Event of Force Majeure ceases to have effect.



c. **Seller to Use Reasonable Efforts**

Seller agrees to use all reasonable efforts to remedy any Event of Force Majeure that has occurred. Notwithstanding the foregoing or any other provision of this Agreement, the settlement of any labour dispute, protest or demonstration shall be entirely at the discretion of the Seller and there shall be no obligation on the Seller to test or refrain from testing the validity of any order, regulation or law relating to such labour dispute, protest or demonstration.

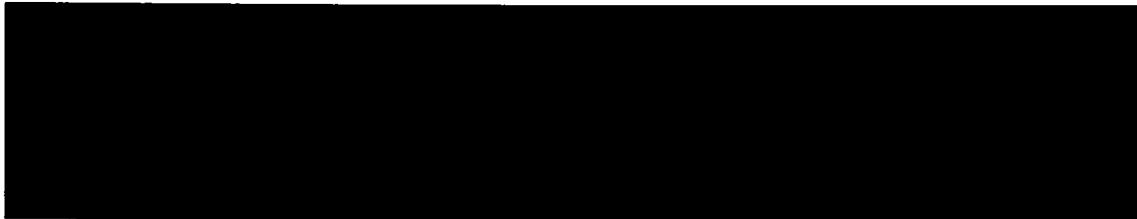
d. **Pro-rata Reduction of Commitment**

If any Event of Force Majeure results in a partial reduction of Seller's ability to produce or deliver concentrate, Seller shall be obligated to allocate the actually produced or deliverable total quantity of concentrate among Buyer and all other purchasers of concentrate from Seller, in proportion to Seller's total annual commitment to Buyer and such other purchasers.

e. **Cancellation or Termination under Extended Force Majeure**

- i. If any Event of Force Majeure continues in effect for a period of sixty (60) consecutive days or less, any affected deliveries of concentrate shall be made up as soon as practicable pursuant to a timetable acceptable to the Buyer and the Seller.
- ii. If any Event of Force Majeure continues in effect for a period of more than sixty (60) days, then either party shall have the option to cancel and the Seller shall have the option to sell to other parties any of the concentrate which could have been delivered during the period of such Event of Force Majeure.
- iii. If any Event of Force Majeure continues in effect for a period of time in excess of twelve (12) consecutive months, then either party may terminate this Agreement by giving notice thereof in writing to the other party, in which event all obligations, covenants and commitments of both parties hereto, save and except any outstanding payments to be made hereunder, shall cease.
- iv. Notwithstanding any other provision of this Agreement, Seller shall always have the right to curtail production if economic conditions of the time do not warrant continued operation of the Gibraltar mine at current production levels existing at any time.

16. MINE CLOSURE:



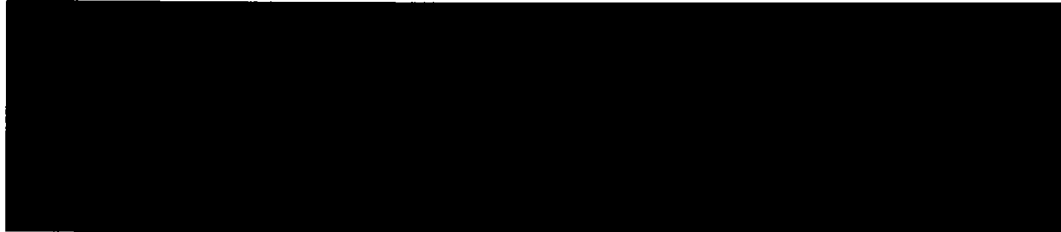
17. METAL QUOTATIONS:

- a. In the event that the Metal Quotations specified herein should cease to exist, cease to be published or cease to be representative for the international trade in copper concentrates, Buyer and Seller shall promptly consult each other with a view to agreeing on a new pricing basis, which in good faith reflects the market price of the respective metals contained in

copper concentrates. The base objective will be to secure continuity of the pricing intention outlined in Clause 7 Price.

- b. Should Seller and Buyer be unable to resolve the situation within thirty days of the request by one party to the other for a meeting, then either party shall have the right to refer the matter for arbitration as provided in Clause 22 Arbitration. In the meantime, provisional payments are to be based on the lower of the old versus a possible new pricing basis until the matter is resolved.

18. HEDGE FACILITY:



19. TAXES:

Any export taxes or duties payable to any level of government in Canada shall be borne by the Seller. Any import tax and duties in the importing country whether existing or new on concentrates and contained metals or on commercial documents relating thereto or on the cargo itself shall be borne by the Buyer.

20. JURISDICTION:

The construction and validity of this Agreement for all purposes shall be governed by the laws of British Columbia, Canada.

21. REFEREE:

- a. In the event that a matter is to be submitted to Referee under this Agreement, Seller and Buyer shall each appoint one independent industry expert to act as a Referee and the third Referee shall be appointed by agreement by the Referees selected by Seller and Buyer. If either Seller or Buyer fails to appoint its respective Referee within five (5) days after a matter has been referred to the Referee under this Agreement, such Referee shall be appointed by the International Chamber of Commerce and the costs for such appointment shall be paid by the party failing to appoint such Referee. If the two Referees fail to agree on the third Referee within 15 days, such Referee shall be appointed by the International Chamber of Commerce and the costs for such appointment shall be borne equally by Seller and Buyer.
- b. In each case that the Referees are called upon to finally determine an issue under this Agreement, such Referees shall require each of Seller and Buyer to submit its respective position to the Referees within 15 days after the third Referee has been appointed.
- c. Within 15 days after Seller and Buyer have submitted their respective positions to the Referees pursuant to Clause 21.b., the Referees shall offer such guidance, if any, that they deem appropriate with a view toward progressing the negotiations between Seller and Buyer. If within 30 days after Seller and Buyer have submitted their respective positions to the Referees, Seller and Buyer fail to agree, the Referees shall finally determine any such issue by selecting one of the two positions submitted to such Referees within 15 days thereafter. The Referees shall take account of the bases for negotiations between the parties when

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determining an issue referred to them. If either Seller or Buyer fails to submit its respective position to the Referees within such time period, the Referees shall finally determine that the sole position submitted to them shall prevail.

- d. Any decision of the Referees shall be final and binding on the parties and shall apply retroactively to the period for which the parties were to have reached agreement.
- e. The party or parties against whom the Referees have finally determined an issue presented to them shall bear all costs incurred with respect to the Referees, provided that, if the Referees find that any party shall have acted unreasonably they may, in their discretion, award costs against such party.

22. ARBITRATION:

Arbitration shall take place in London at and pursuant to the rules and regulations of the London Arbitration Centre. All disputes arising with respect to this Agreement or the breach thereof shall be resolved by binding arbitration in the city of London at and pursuant to the rules and regulations of the London Arbitration Centre. Each party shall select one arbitrator within thirty (30) days after notification as provided by the disputing party of the intention to arbitrate. Within a subsequent thirty (30) days, the two arbitrators so chosen shall choose a neutral third arbitrator, all three of who shall compose the panel. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. Any action for breach of any provision of this Agreement must be commenced within one year after the cause of the action shall have accrued. The arbitrators shall not be empowered to award punitive damages.

23. SET OFF CLAUSE:

Subject to Clause 9 hereof, either party (the "first party") may at any time without notice to the other party (the "second party") set off any liability of the second party to it against any liability of the first party to the second party (in either case howsoever arising and whether any such liability is present or future, liquidated or unliquidated and irrespective of the currency of its denomination) and may for such purpose convert or exchange any currency. Any exercise by the first party of its rights under this clause shall be without prejudice to any other rights or remedies available to the first party under this Agreement or otherwise.



24. ENTIRE AGREEMENT:

This Agreement contains the entire agreement of the parties relating to its subject matter and supersedes all prior agreements, written or oral, between the parties relating to such subject matter. This Agreement shall not be amended or modified, and no waiver of any provision hereof shall be effective, unless set forth in a written instrument authorized and executed by both parties. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions and shall not relieve either party from its obligations hereof, and such other provisions shall be construed in all respects as if such invalid or unenforceable provision were omitted. This Agreement may be executed by the parties in any number of counterparts which may be delivered by facsimile or other electronic means, all of which together shall be deemed to constitute one and the same instrument.

25. ASSIGNMENT:

Neither party shall assign or otherwise dispose of any interest in this Agreement without the prior written consent of the other party, which shall not be unreasonably withheld, provided also that Gibraltar may assign its interest in this Agreement to a subsidiary or other associated or affiliated entity.

26. NOTICES:

All notices, requests and other communications hereunder shall be in writing and shall be deemed to have been duly given or made when sent by registered mail, postage prepaid return receipt requested and addressed as follows, or by fax/electronic mail:

i. If to Buyer:

MRI Trading AG
Baarerstrasse 53
P.O. Box 4362
6304 Zug
Switzerland
Attention: Mark Forsyth

ii. If to Seller:

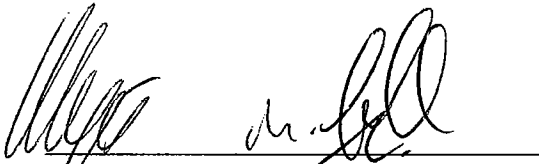
Gibraltar Mines Ltd.
1020-800 West Pender Street
Vancouver, BC
Canada V6C 2V6
Attention: President

AGREED:

MRI TRADING AG

GIBRALTAR MINES LTD.

By:

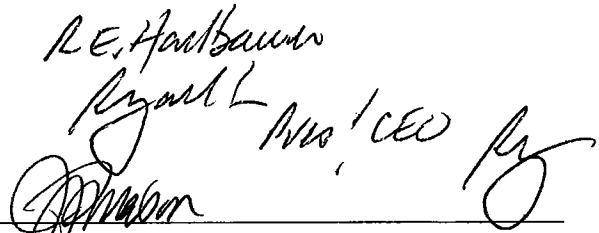


Authorized signatory M. Forsyth

Title: HEAD TRADER

Date: 13/05/08.

By:



Authorized signatory JEFFREY R. MASON

Title: CEO & DIRECTOR

Date: APRIL 17/08

