**UNDERWRITING AGREEMENT**

June 9, 2006

Consolidated Thompson-Lundmark Gold Mines Limited
65 Queen Street West, Suite 815
Box 75
Toronto, Ontario
M5H 2M5

**Attention: Mr. Richard Quesnel, President and Chief Executive Officer**

Dear Sir:

Based on the terms and conditions set out below, Orion Securities Inc. ("**Orion**" or the "**Lead Underwriter**") as lead underwriter, and Canaccord Capital Corporation, GMP Securities L.P. and CIBC World Markets Inc. (collectively, together with the Lead Underwriter and the U.S. Affiliate (as defined below), the **"Underwriters"** and, each, an "**Underwriter**") hereby severally and not jointly, or jointly and severally, in their respective percentages set out in Section 2.4 below, offer to purchase from Consolidated Thompson-Lundmark Gold Mines Limited (the "**Issuer**"), and the Issuer by its execution of this Agreement (as defined below) agrees to issue and sell to the Underwriters, at the Closing Time (as defined below), 15,587,000 Special Warrants (as defined below), at a price of $2.75 per Special Warrant for aggregate gross proceeds of $42,864,250.

In consideration of the services rendered and to be rendered by the Underwriters in connection with the Offering (as defined below), the Issuer shall pay to the Underwriters at the Closing Time a fee equal to 6.0% of the aggregate purchase price for the Special Warrants, or $0.165 per Special Warrant (the "**Underwriters' Commission**"). In addition to the Underwriters' Commission, the Issuer shall grant to the Underwriters at the Closing Time, as directed by the Lead Underwriter, an aggregate number of non-assignable broker options (the **"Broker Options"**) equal to 6% of the number of Special Warrants. Each Broker Option shall be automatically exercisable, without payment of any consideration, at the Automatic Exercise Deadline (as defined below) into, subject to adjustment, one compensation option (the "**Compensation Options**"). Each Compensation Option shall entitle the holder to subscribe for one common share in the capital of the Issuer (a "**Compensation Option Share**") at the Issue Price. The Compensation Options shall have a term to expiration which ends at 5:00 p.m. (Toronto time) on the date which is 18 months after the Closing Date.

## Terms and Conditions

The following are additional terms and conditions of this Agreement between the Issuer and the Underwriters.

**1. Definitions.** In this Agreement and the recitals hereto, in addition to the terms defined above or elsewhere in this Agreement, the following terms shall have the following meanings:

"**Agreement**" means this underwriting agreement.

"**Applicable Legislation**" means the applicable securities legislation in the Qualifying Provinces, together with all the regulations and rules made and promulgated thereunder and all administrative policy statements, instruments, blanket orders and rulings, notices and administrative directions issued by the Commissions.

"**Automatic Exercise Deadline**" means 5:00 p.m. (Toronto time) on the date that is the earlier of: (a) the date that is four months and one day following the Closing Date; and (b) the fifth Business Day following the Clearance Date.

"**Broker Options**" has the meaning ascribed to that term in the recitals to this Agreement.

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto are not open for business.

"**Clearance Date**" means the day on which the last of the Commissions issues a Final Receipt.

"**Closing**" means the completion of the purchase by the Underwriters and sale and the issuance by the Issuer, of the Special Warrants.

"**Closing Date**" means June 9, 2006.

"**Closing Time**" means 9:00 a.m. (Toronto time) on the Closing Date or such other time as mutually agreed to by the Issuer and the Underwriters.

"**Commissions**" means the securities commissions or equivalent regulatory authorities in each of the Qualifying Provinces.

"**Common Shares**" means common shares in the capital of the Issuer.

**"Compensation Options"** has the meaning ascribed to that term in the recitals to this Agreement.

"**Compensation Option Share**" has the meaning ascribed to that term in the recitals to this Agreement.

"**Disclosure Record**" means the Issuer's prospectuses, annual reports, financial statements, annual information forms, management discussion and analysis, information circulars, material change reports, press releases and all other information or documents filed by the Issuer under applicable Securities Laws and filed on SEDAR.

"**Documents**" has the meaning ascribed to that term in Section 7.1(a) of this Agreement.

"**Engagement Letter**" means the letter agreement in respect of the Offering dated May 18, 2006 between the Lead Underwriter and the Issuer and reconfirmed by the Lead Underwriter on May 19, 2006, as amended by an amending letter dated May 30, 2006 and confirmed by the Issuer on May 31, 2006.

"**Final Receipt**" means the final receipt issued by the Commissions for the Prospectus.

"**Institutional Accredited Investor**" means those institutional "accredited investors" specified in Rule 501(a) (1), (2), (3) or (7) of Regulation D adopted pursuant to the U.S. Securities Act.

"**Issuer**" means Consolidated Thompson-Lundmark Gold Mines Limited and includes any successor corporation to or of the Issuer.

"**Lead Underwriter**" means Orion Securities Inc.

"**Material Change**" has the meaning ascribed thereto in the Ontario Act.

"**Material Fact**" has the meaning ascribed thereto in the Ontario Act.

"**NI 45-102**" means National Instrument 45-102 *Resale of Securities.*

"**NI 45-106**" means National Instrument 45-106, *Prospectus and Registration Exemptions*.

"**Offering**" means the offering of Special Warrants pursuant to the Subscription Agreements and this Agreement.

"**Ontario Act**" means the *Securities Act* (Ontario).

"**Orion**" means Orion Securities Inc.

"**Person**" means any individual, company, corporation, partnership, limited partnership, joint venture, sole proprietorship, association, trust, trustee or other legal entity.

"**Preliminary Prospectus**" means the preliminary prospectus of the Issuer (including any documents incorporated by reference therein) qualifying in the Qualifying Provinces (i) the Common Shares to be issued upon exercise of the Special Warrants and (ii) the Compensation Options to be issued upon exercise of the Broker Options.

**"Prospectus"** means the final prospectus of the Issuer (including any documents incorporated by reference therein) qualifying in the Qualifying Provinces (i) the Common Shares to be issued upon exercise of the Special Warrants and (ii) the Compensation Options to be issued upon exercise of the Broker Options.

"**Purchasers**" means the purchasers of the Special Warrants which may include the Underwriters.

"**Qualifying Provinces**" shall mean the Provinces of British Columbia, Alberta and Ontario.

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act.

"**Regulatory Authorities**" means the Commissions and the TSXV.

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities**" means the Special Warrants, Shares, Broker Options, Compensation Options and Compensation Option Shares.

"**Securities Laws**" means, as applicable, the securities laws, regulations, rules, rulings and orders in the Qualifying Provinces, the applicable published policy statements issued by the securities regulators in the Qualifying Provinces and the rules of the TSXV.

"**Shares**" means the previously unissued Common Shares in the capital of the Issuer, as presently constituted, issuable upon exercise or automatic exercise of the Special Warrants.

"**Special Warrant Agent**" means Equity Transfer Services Inc.

"**Special Warrant Indenture**" means the special warrant indenture dated the date hereof between the Issuer and the Special Warrant Agent.

"**Special Warrants**" means the non-transferable special warrants of the Issuer offered by the Issuer pursuant to this Agreement having the terms provided for in this Agreement and the Special Warrant Indenture.

"**Subscription Agreements**" means, collectively, the subscription agreements entered into between the Issuer and each of the Purchasers in respect of the Offering and shall include, for greater certainty, all schedules thereto.

"**Supplementary Material**" means any documents supplemental to the Preliminary Prospectus or Prospectus or any amending or supplementary prospectus or other supplemental documents or any similar document required to be filed under the Applicable Legislation.

"**TSXV**" means the TSX Venture Exchange.

"**Underwriters**" means, collectively Orion Securities Inc., Canaccord Capital Corporation, GMP Securities L.P. and CIBC World Markets Inc.

"**Underwriters' Commission**" has the meaning ascribed thereto in the recitals to this Agreement.

"**Underwriters' Fee**" has the meaning ascribed to that term in Section 5.1 of this Agreement.

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**U.S. Affiliate**" means Orion Securities (USA) Inc.

"**U.S. Person**" has the meaning set forth in Rule 902(k) of Regulation S.

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended.

**2. Appointment of the Underwriters.**

2.1 Upon the terms and subject to the conditions hereof, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to issue and sell to the Underwriters, 15,587,000 Special Warrants.

2.2 The Underwriters have the right to arrange for the Special Warrants to be purchased by substituted purchasers on the Closing Date, and subsequent to the Closing Date, to sell Special Warrants, as principal, to substituted purchasers, provided that the Underwriters shall, on Closing, purchase as principal that number of Special Warrants equal to 15,587,000 less the number of Special Warrants purchased by substituted purchasers on Closing.

2.3 The rights and obligations of the Underwriters under this Agreement, including but not limited to the right and obligation to purchase Special Warrants and the entitlement to the Underwriters' Fee, shall be several (as distinguished from joint or joint and several) rights and obligations for each Underwriter. Nothing in this Agreement is intended to create any relationship in the nature of a partnership or joint venture between the Underwriters.

2.4 Subject to the terms and conditions of this agreement, the obligation of the Underwriters to purchase the Special Warrants shall be several (and not joint or joint and several) and shall be as to the following percentages:

| | |
|---|---|
| Orion Securities Inc. | 65.1% |
| Canaccord Capital Corporation | 20.0% |
| GMP Securities L.P. | 10.0% |
| CIBC World Markets Inc. | 4.9% |
| | 100% |

2.5 Except as otherwise specifically provided in this Agreement, the rights and obligations of the Underwriters shall be divided in the proportions in which the Underwriters participate in the Offering. If an Underwriter (a "**Refusing Underwriter**") fails to purchase its applicable percentage of the Special Warrants (the "**Defaulted Securities**") which that Underwriter has agreed to purchase under this Agreement, the remaining Underwriters (the "**Continuing Underwriters**") shall have the right, but shall not be obligated, to purchase all but not less than all, of the Defaulted Securities *pro rata* according to the number of Special Warrants to have been acquired by the Continuing Underwriters under this Agreement or in the proportion agreed upon, in writing, by the Continuing Underwriters. If no such arrangement has been made and the number of Defaulted Securities to be purchased by the Refusing Underwriter does not exceed 10% of the Special Warrants, the Continuing Underwriters will be obligated to purchase the Defaulted Securities on the terms set out in this Agreement in proportion to their obligations under this Agreement; however, the Continuing Underwriters will not be required to purchase the Defaulted Securities if the Refusing Underwriter, or any of the Continuing Underwriters exercise or have exercised its or their termination rights pursuant to Section 12 hereof. Subject to the immediately preceding sentence, if the number of Defaulted Securities is greater than 10% of the Special Warrants, the Continuing Underwriters will not be obligated to purchase the Defaulted Securities and, if the Continuing Underwriters do not elect to purchase the Defaulted Securities:

(a) the Continuing Underwriters may but will not be obligated to purchase any of the Special Warrants;

(b) the Issuer will not be obligated to sell less than all of the Special Warrants; and

(c) the Issuer will be entitled to terminate its obligations under this Agreement, in which event there will be no further liability hereunder on the part of the Issuer or the Continuing Underwriters, except pursuant to the provisions of Sections 13 and 14 of this Agreement.

2.6 No action taken pursuant to this Section shall relieve any Refusing Underwriter from responsibility in respect of its default to the Issuer or to any Continuing Underwriter.

**3. Special Warrants.**

3.1 The material attributes and characteristics of the Special Warrants shall be substantially as described herein and shall be issued pursuant to the Special Warrant Indenture.

3.2 Each Special Warrant shall be exercisable at any time and from time to time, without payment of any additional consideration and subject to adjustment in certain circumstances, into one Share prior to the Automatic Exercise Deadline. In the event that the holder of the Special Warrants has not exercised his Special Warrants, such Special Warrants shall be deemed to be exercised on the Automatic Exercise Deadline without further action on the part of the holder.

3.3 In the event that the Clearance Date has not occurred within 90 days of the Closing Date, each Special Warrant will thereafter entitle the holder to receive, without payment of any further consideration, 1.05 Shares (in lieu of one Share).

3.4 The Special Warrants shall be issued and registered by the Special Warrant Agent in the names of the Purchasers or their nominees as directed by the Purchasers in the Subscription Agreements.

3.5 The certificates representing the Special Warrants and the Special Warrant Indenture shall, among other things, include provisions for the appropriate adjustment in the class, number and price of the Shares issued upon exercise of the Special Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, the payment of stock dividends and the amalgamation of the Issuer.

**4. Prospectus.**

4.1 The Issuer covenants and agrees to use its commercially reasonable best efforts to: (i) file as soon as possible after the Closing Date in each of the Qualifying Provinces the Preliminary Prospectus; (ii) resolve all comments received or deficiencies raised by the Commissions in respect of the Preliminary Prospectus as expeditiously as possible; and (iii) file the Prospectus and obtain a Final Receipt in each of the Qualifying Provinces as soon as possible after such regulatory comments and deficiencies have been resolved and in no event later than 4:59 p.m. (Toronto time) on the date that is ninety (90) days following the Closing Date.

4.2 The form and substance of the Preliminary Prospectus, the Prospectus and any Supplementary Material shall be satisfactory to the Issuer and its counsel and the Underwriters and their counsel, acting reasonably.

4.3 The Issuer shall permit the Underwriters and their counsel to participate in the preparation of the Preliminary Prospectus, the Prospectus and any Supplementary Material, to discuss the Issuer's business with its corporate officials and auditors and to conduct such full and comprehensive review and investigation of the Issuer's business, affairs, capital and operations as the Underwriters and their counsel reasonably consider to be necessary to establish a due diligence defence under the Applicable Legislation to an action for misrepresentation or damages and to enable the Underwriters to responsibly execute the underwriter's certificate in the Preliminary Prospectus and Prospectus and any Supplementary Material. The Issuer also covenants to use to its reasonable best efforts to secure the cooperation of the Issuer's professional advisors (including its legal advisors and auditors) to participate in any due diligence conference calls required by the Underwriters, and the Issuer consents to the use and the disclosure of information obtained during the course of the due diligence investigation (including during the due diligence conference call) where such disclosure is required by law or required by the Underwriters to maintain a defense to any regulatory or other civil action.

4.4 The Prospectus shall contain a contractual right of rescission granted by the Issuer to the Purchasers for misrepresentations concerning the Issuer in the Prospectus.

4.5 Provided the Underwriters and their counsel, acting reasonably, are satisfied that the Preliminary Prospectus and the Prospectus contain full, true and plain disclosure of all Material Facts relating to the Issuer and the Securities, and provided the Issuer has delivered to the Underwriters the documents described in this Section to be delivered on the date of the Prospectus, the Underwriters shall duly execute the underwriter's certificate in the Prospectus.

4.6 The Issuer shall deliver to the Underwriters, within two Business Days after, as applicable, the issuance of the Final Receipt and the execution of any Supplementary Material, without charge to the Underwriters, as many commercial copies of the Prospectus and any Supplementary Material, as applicable, as the Underwriters may reasonably request for the purposes of delivering such documents to the Purchasers and for the purposes contemplated by the Applicable Legislation, and such delivery shall constitute: (A) the consent of the Issuer for the Underwriters and other appropriately registered investment dealers to use such documents in connection with the distribution to the Purchasers or the distribution to the public, as the case may be, of the Shares underlying the Special Warrants, subject to the provisions of the Applicable Legislation; and (B) a representation and warranty by the Issuer to the Underwriters that all information and statements (except information and statements relating solely to the Underwriters or a selling agent) contained in the Prospectus and any Supplementary Material, as applicable, are true and correct in all material respects at the time of delivery thereof and contain no misrepresentations (as defined in the Ontario Act) and constitute full, true and plain disclosure of all Material Facts relating to the Issuer and the Securities as required by Applicable Legislation.

4.7 On the date of the Prospectus, the Issuer shall deliver the following documents to the Underwriters and their counsel, each of which shall be in a form and substance satisfactory to the Underwriters and their counsel:

(a) a comfort letter dated the date of the Prospectus from the auditors of the Issuer, addressed to the Underwriters and to the board of directors of the Issuer, in form and substance reasonably satisfactory to the Underwriters, relating to the verification of the financial information and accounting data and other numerical data of a financial nature contained in the Prospectus and matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus to a date not more than two business days prior to the date of such letter; and

(b) any other certificates, comfort letters or opinions in connection with any matter related to the Prospectus which are reasonably requested by the Underwriters or their counsel.

**5. Underwriters' Fee.**

5.1 In consideration of the services performed by the Underwriters under this Agreement, the Issuer agrees to pay or issue, as the case may be, to the Underwriters on Closing the following (collectively, the "**Underwriters' Fee**"):

(a) the Underwriters' Commission, being $2,571,855; and

(b) 935,220 Broker Options, being 6.0% of the aggregate number of Special Warrants to be sold on Closing.

5.2 Each Broker Option shall be automatically exercisable, without payment of any consideration, at the Automatic Exercise Deadline into, subject to adjustment, one Compensation Option. Each Compensation Option shall entitle the holder to subscribe for one Compensation Option Share at the Issue Price. The Compensation Options shall have a term to expiration which ends at 5:00 p.m. (Toronto time) on the date which is 18 months after the Closing Date.

5.3 The certificates representing the Broker Options and the Compensation Options shall, among other things, include provisions for the appropriate adjustment in the class, number and price of the Compensation Options and Compensation Option Shares, as the case may be, upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, the payment of stock dividends and the amalgamation of the Issuer.

## 6. Offering Restrictions.

6.1 The Issuer acknowledges and the Underwriters hereby, severally, represent, warrant, covenant and agree that:

(a) the Underwriters shall: (i) only solicit subscriptions for Special Warrants and sell the Special Warrants in accordance with the terms and conditions of this Agreement and in compliance with applicable securities legislation, including the Applicable Legislation, in those jurisdictions where they may be lawfully offered for sale or sold and only at the Issue Price; (ii) not offer or sell the Special Warrants so as to require registration thereof or filing of a prospectus or offering memorandum with respect thereto under the laws of any jurisdiction and will not solicit offers to purchase or sell the Special Warrants in any jurisdiction outside of Canada where the solicitation or sale of the Special Warrants would result in any ongoing disclosure requirements in such jurisdiction or any registration requirements in such jurisdiction; (iii) obtain from each Purchaser an executed Subscription Agreement in the appropriate form agreed to by the Issuer and the Underwriters together with all requisite forms, undertakings and materials; and (iv) not make available to prospective purchasers of the Special Warrants any documents which would constitute an offering memorandum as defined under the Applicable Legislation and will not advertise the proposed sale of such securities in printed public media, radio, television or telecommunications, including electronic display;

(b) the Underwriters at their own expense may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investments dealers, who may or who may not be offered part of the Underwriters' Fee;

(c) offers of the Special Warrants in the United States or to, or for the account or benefit of, U.S. Persons, shall be made only by the Underwriters through an affiliate of the Lead Underwriter that is a duly registered U.S. broker-dealer, and sales of the Special Warrants in the United States or to, or for the account or benefit of, U.S. Persons, shall be made only to Institutional Accredited Investors that purchase such Special Warrants from the Underwriters through such a U.S. broker-dealer affiliate or directly from the Issuer as substituted purchasers, all in the manner set forth in this Agreement, including the provisions of Schedule 6 to this Agreement;

(d) the provisions of Schedule 6 to this Agreement entitled "United States Offering Restrictions" apply in respect of all offers and sales of the Special Warrants and are incorporated by reference in and shall form part of this Agreement;

(e) each of the Underwriters are registered dealers in the jurisdictions where they offer and sell the Special Warrants to Purchasers; and

(f) each of the Underwriters are "accredited investors" as such term is defined in NI 45-106 and are acquiring the Broker Options as principal.

6.2 No selling or promotional expenses shall be paid or incurred in connection with the Offering, except for professional services or for services performed by a registered dealer.

6.3 The Issuer covenants and agrees that no press release issued by the Issuer relating to the Offering shall be disseminated in the United States or in any of its territories thereof, except as required by applicable law.

**7. Representations and Warranties of the Issuer.**

7.1 The Issuer represents and warrants to the Underwriters and the Purchasers, and acknowledges that the Underwriters and the Purchasers are relying upon such representations and warranties (and confirms, for greater certainty, that the Purchasers, in addition to the Underwriters, shall have the benefit of such representations and warranties as if they had been made directly to the Purchasers under their respective Subscription Agreements), as follows:

(a) the Issuer is validly subsisting under the laws of Canada, is current and up-to-date with all material filings required to be made by it and has all requisite corporate capacity, power and authority and is qualified or authorized to carry on its business as now conducted and to own or lease and operate its property and assets in all jurisdictions where such qualification or authorization is required and to undertake the Offering and to carry out all other obligations and transactions contemplated herein, including entering into, executing and delivering this Agreement, the Subscription Agreements, the Special Warrant Indenture, and the certificates representing the Special Warrants, the Broker Options and the Compensation Options (collectively, the "**Documents**") and carrying out its obligations thereunder;

(b) the Issuer does not own any shares or other equity interest in any company, partnership, trust or other such entity;

(c) the Issuer is, and will at the Closing Time be, in compliance in all material respects with the by-laws, rules and regulations of the TSXV and no Material Change relating to the Issuer has occurred within the past 12 months that has not been generally disclosed and that in relation thereto the requisite material change report has not been filed under applicable securities laws and no such disclosure has been made on a confidential basis;

(d) as at the date hereof, the Issuer is a "reporting issuer" in British Columbia, Alberta, Ontario and Quebec;

(e) all press releases, material change reports, annual information forms, financial statements and other documents filed by or on behalf of the Issuer within the past 12 months with the TSXV and the applicable securities regulatory authorities were true and correct in all material respects and did not contain any misrepresentation (as defined in the Ontario Act), as at the respective dates of such filings;

(f) as at the date hereof, the authorized capital of the Issuer consists of an unlimited number of Common Shares and Class A preferred shares of which 17,550,452 Common Shares were issued and outstanding as at the close of business on June 8, 2006;

(g) except as set forth in Schedule 7.1(g) hereto, the Issuer is not party to and has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any Common Shares or securities convertible into or exchangeable for Common Shares;

(h) the Issuer has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules, regulations, tariffs, orders and directives of each jurisdiction in which it carries on its business and possesses all material certificates, authorities, permits or licences issued by the appropriate provincial, state, municipal, federal or other governmental or regulatory agency or body necessary to carry on its business currently as carried on, or contemplated to be carried on, by it, is in compliance in all material respects with such certificates, authorities, permits and licences and with all laws, regulations, tariffs, rules, orders and directives material to its operations, including, without limitation, all laws, regulations and statutes relating to mining claims, concessions, licenses, leases or other instruments and the Issuer has not received any notice of proceedings relating to the revocation or modification of any such certificates, authorities, permits, licences, mining claims, concessions, leases or other instruments conferring mineral rights which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, would materially and adversely affect the conduct of the Issuer's business, operations, financial condition or income, and the Issuer has not received notice of the revocation or cancellation of, or any intention to revoke or cancel, any such licence, permit, approval, consent, certificate, registration or authorization;

(i) the Issuer is the absolute legal and beneficial owner of, and has good and marketable title to, all of its material assets, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, and no other assets or property rights are necessary for the conduct of the business of the Issuer, and there are no restrictions on the ability of the issuer to use, transfer or otherwise exploit such assets or property rights, and the Issuer does not know of any claim or basis for a claim that might or could adversely affect its rights to use, transfer or otherwise exploit such assets or property rights and the Issuer has no responsibility or obligation to pay any commission, royalty, licence, fee or similar payment to any person with respect to the assets or property rights thereof;

(j) the claims set out in Schedule 7.1(j) hereto constitute all of the mining claims comprising the Bloom Lake Iron Ore property, and the Issuer is the legal and beneficial holder of all such claims which are free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever;

(k) any and all agreements pursuant to which the Issuer holds its material assets or is entitled to the use of material assets are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, and the Issuer is not in material default of any of the provisions of any such agreements nor has any such default been alleged, and the Issuer is not aware of any disputes with respect thereto and such assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situate, and all leases, licences, concessions, and claims pursuant to which the Issuer derives its interests in such material assets are in good standing and there has been no material default under any such leases, licenses, concessions, and claims and all taxes required to be paid with respect to such assets to the date hereof have been paid;

(l) each of the Documents has been duly authorized and, other than the certificates representing the Compensation Options, executed and delivered by the Issuer and each of the Documents constitutes, or in the case of the certificates representing the Compensation Options, shall constitute upon execution and delivery, a legal, valid and binding obligation of the Issuer, enforceable in accordance with its respective terms, except that (i) the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, (ii) equitable remedies, including, without limitation, specific performance and injunction, may be granted only in the discretion of a court of competent jurisdiction, and (iii) rights of indemnity, contribution and the waiver of contribution provided for herein may be limited under applicable law;

(m) the entering into of and the performance of the transactions contemplated herein and in the other Documents:

(i) do not require any consent, approval, authorization or order of any court or governmental agency or body, except that which may be required under applicable securities legislation or stock exchange requirements;

(ii) will not contravene any statute or regulation of any governmental authority which is binding on the Issuer; and

(iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of the Issuer or any material mortgage, note, indenture, contract or agreement (written or oral) instrument, lease or other document to which the Issuer is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of the Issuer that would result in any material adverse change in the operations, business or condition of the Issuer;

(n) there is no action, proceeding or, to the Issuer's knowledge, investigation pending or, to the Issuer's knowledge, threatened by or against or affecting the Issuer at law or in equity or before any international, federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign, which could reasonably be expected to materially adversely affect the Issuer or the condition of the Issuer or which questions the validity of the issuance of the Securities or any action taken or to be taken by the Issuer in connection with this Agreement;

(o) the audited annual consolidated financial statements of the Issuer as at and for the year ended June 30, 2005 (including the related notes thereto) were prepared in accordance with Canadian generally accepted accounting principles applied on a consistent basis during the period and fairly present in all material respects the consolidated financial position of the Issuer as of June 30, 2005 and the consolidated results of its operations and cash flows for the period ended June 30, 2005;

(p) each of the consolidated financial statements of the Issuer filed with the Canadian securities regulatory authorities after June 30, 2005 has been prepared in accordance with Canadian generally accepted accounting principles applied on a consistent basis during the periods involved and fairly present in all material respects the consolidated financial position of the Issuer as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended (subject, in the case of unaudited interim financial statements, to normal year-end audit adjustments and provided that such unaudited interim financial statements may omit notes which are not required in the unaudited financial statements). Since June 30, 2005, there has been no material change by the Issuer in its accounting policies, methods, practices or principles that are material to the Issuer's consolidated financial statements, except as disclosed in the notes thereto with respect to periods ending prior to the date of this Agreement;

(q) the Issuer maintains accurate books and records reflecting its assets and liabilities and maintains proper and adequate internal accounting controls which provide assurance that (i) transactions are executed with management's authorization; (ii) transactions are recorded as necessary to permit preparation of consolidated financial statements of the Issuer and to maintain accountability for the Issuer's consolidated assets; and (iii) accounts, notes and other receivables and inventory are recorded accurately, and proper and adequate procedures are implemented to effect the collection thereof on a current and timely basis;

(r) the Issuer is in material compliance with all current listing and corporate governance requirements of the TSXV;

(s) the Issuer is in material compliance with Applicable Legislation;

(t) McGovern, Hurley, Cunningham LLP which has expressed its opinion on the audited financial statements of the Issuer, has been "independent" with respect to the Issuer at all relevant times within the meaning of the rules and regulations of the Canadian securities regulatory authorities and there has never been a "reportable event" (within the meaning of National Instrument 51-102) with such auditors;

(u) except for the Underwriters and any member of the selling group which may be appointed by the Underwriters, there are no persons, firms or corporations acting or purporting to act at the request of the Issuer, who are entitled to any brokerage or finder's fee in connection with the transactions contemplated herein;

(v) the Issuer has filed all necessary tax returns and notices and has paid all applicable taxes of whatever nature for all tax years to the date hereof to the extent such taxes have become due or have been alleged to be due and the Issuer is not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon with respect to itself where, in any of the above cases it might reasonably be expected to result in any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Issuer;

(w) to the knowledge of the Issuer, the operations carried on by the Issuer are in material compliance with all applicable federal, provincial, state and municipal environmental, health and safety statutes, regulations and permits. To the knowledge of the Issuer, none of such operations is subject to any judicial or administrative proceeding alleging the violation of any federal, provincial, state or municipal environmental, health or safety statute or regulation or is subject to any investigation concerning whether any remedial action is needed to respond to a release of any Hazardous Material (as defined below) into the environment. Except in material compliance with applicable environmental laws, none of the premises currently occupied by the Issuer has at any time been used by the Issuer or, to the knowledge of the Issuer, by any other occupier, as a waste storage or waste disposal site or to operate a waste management business. The Issuer has no material contingent liability of which it has knowledge in connection with any release of any Hazardous Material on or into the environment from any of the premises currently occupied by the Issuer or from the operations carried out thereon except to the extent such release is in compliance with all applicable laws or to the extent such non-compliance, if any, would not have a material adverse effect on the Issuer. Neither the Issuer nor, to the knowledge of the Issuer, any occupier of the premises currently occupied by the Issuer, generates, transports, treats, stores or disposes of any waste, subject waste, hazardous waste, deleterious substance, industrial waste (as defined in applicable federal, provincial, state or municipal legislation) on any of the premises currently occupied by the Issuer in contravention of applicable federal, provincial, state or municipal laws or regulations enacted for the protection of the natural environment or human health except to the extent that any such contravention would not have a material adverse effect on the Issuer. To the knowledge of the Issuer, no underground storage tanks or surface impoundments containing a petroleum product or Hazardous Material are located on any of the premises currently occupied by the Issuer in contravention of applicable federal, provincial, state or municipal laws or regulations enacted for the protection of the natural environment or human health, except to the extent that any such contravention would not have a material adverse effect on the Issuer. For the purposes of this subparagraph, "**Hazardous Material**" means any contaminant, pollutant, subject waste, hazardous waste, deleterious substance, industrial waste, toxic matter or any other substance that when released into the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health and, without restricting the generality of the foregoing, includes any contaminant, pollutant, subject waste, deleterious substance, industrial waste, toxic matter or hazardous waste as defined by applicable federal, provincial, state or municipal laws or regulations enacted for the protection of the natural environment or human health;

(x) the Issuer has not approved, is not contemplating, has not entered into any agreement in respect of, and has no knowledge of:

(i) the purchase of any material property or any interest therein or the sale, transfer or other disposition of any material property or any interest therein currently owned, directly or indirectly, by the Issuer whether by asset sale, transfer of shares, or otherwise; or

(ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the assets of the Issuer) of the Issuer;

(y) during the previous three years from the date hereof, no order ceasing or suspending trading in securities of the Issuer or prohibiting the sale of securities by the Issuer has been issued by an exchange or securities regulatory authority, and no proceedings for this purpose have been instituted, or are pending or, to the Issuer's knowledge, contemplated or threatened;

(z) during the previous 12 months from the date hereof, the Issuer has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing;

(aa) there is not, in the constating documents of the Issuer or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Issuer is a party, any restriction upon or impediment to, the declaration or payment of dividends by the directors of the Issuer or the payment of dividends by the Issuer to the holders of its Common Shares;

(bb) the Issuer does not have any loans or other indebtedness outstanding which have been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "**arm's length**" (as such term is used in the *Income Tax Act* (Canada)), and there are no material business relationships or related party transactions within the meaning of Ontario Securities Commission Rule 61-501 involving the Issuer other than as disclosed in the Disclosure Record;

(cc) Equity Transfer Services Inc., at its office in Toronto, has been duly appointed as (i) the transfer agent and registrar for the Common Shares of the Issuer, and (ii) the special warrant agent under Special Warrant Indenture;

(dd) the Issuer is a "foreign issuer", as defined in Regulation S, and is not an "investment company", as defined in the United States Investment Company Act of 1940, as amended;

(ee) the Issuer is not required to file reports under Section 13(a) or Section 15(d) of the *United States Securities Exchange Act of 1934*, as amended; and

(ff) the Issuer has not withheld, and will not withhold until the completion of the distribution of the Special Warrants and the Shares issuable thereunder, from the Underwriters any Material Facts or Material Changes relating to the Issuer.

**8. Covenants of the Issuer.**

8.1 The Issuer hereby covenants to the Underwriters and the Purchasers (and confirms, for greater certainty, that the Purchasers, in addition to the Underwriters, shall have the benefit of such covenants as if they had been made directly to the Purchasers under their respective Subscription Agreements), that the Issuer:

(a) shall fulfil all legal requirements to permit the creation, issuance, offering and sale of the Special Warrants, the creation and issuance of the Broker Options and Compensation Options, the issuance of the Shares upon the valid exercise of the Special Warrants, the issuance of the Compensation Options upon the valid exercise of the Broker Options and the issuance of the Compensation Option Shares upon the valid exercise of the Compensation Options, including, without limitation, compliance with the applicable securities laws of the Qualifying Provinces to enable the Special Warrants to be offered for sale and sold, without the necessity of filing a prospectus or an offering memorandum under the Applicable Legislation to Purchasers through investment dealers or brokers registered under the Applicable Legislation who have complied with the relevant provisions of such laws;

(b) shall obtain the necessary regulatory consents from the TSXV to effect the Offering on such terms as are mutually acceptable to the Underwriters and the Issuer;

(c) shall use its reasonable best efforts to maintain the listing of the Common Shares, and arrange for the conditional listing of the Shares and Compensation Option Shares, on the TSXV, and use its best efforts to maintain its status as a reporting issuer (or the equivalent) in British Columbia, Alberta, Ontario and Quebec for a period of at least one year from the Closing Date and, for greater certainty, it will not be considered reasonable to maintain such status if to do so would hinder or impede in any way, any effort on the part of the Issuer to effect, or to take any steps in furtherance of, any amalgamation or business combination (whether by way of merger, plan of arrangement, consolidation, asset acquisition or disposition or other transaction) completed in accordance with Applicable Legislation;

(d) will not issue or announce the issuance of any Common Shares or any securities convertible into or exchangeable for or exercisable to acquire Common Shares of the Issuer during a period commencing on the date of execution of the Engagement Letter and ending on the earlier of: (a) 150 days following the Closing Date; and (b) 90 days following the Automatic Exercise Deadline, without the written consent of the Lead Underwriter, other than: (i) in connection with the Offering; (ii) pursuant to the issuance of securities on the exercise of rights or agreements outstanding at the date of the Engagement Letter, including options, warrants and other convertible securities; and (iii) the grant of options pursuant to and in accordance with the Issuer's stock option plan;

(e) shall use reasonable efforts to cause each of Mr. Brian Tobin, Mr. Richard Quesnel, Mr. Stan Bharti and Mr. Gerald McCarvill to execute and deliver as of the Closing Date written undertakings in favour of the Underwriters agreeing not to sell, transfer, assign, pledge or otherwise dispose of any securities of the Issuer individually owned, directly or indirectly, by such individuals for a period commencing at the Closing Date and ending on the earlier of: (a) 150 days following the Closing Date; and (b) 90 days following the Automatic Exercise Deadline, without the prior written consent of the Lead Underwriter;

(f) shall use reasonable efforts to ensure that the Shares obtained by U.S. Persons (that are not affiliates of the Issuer except any officer or director of the Issuer who is an affiliate solely by virtue of holding such position) upon the exercise or automatic exercise of the Special Warrants be freely tradable into Canada under applicable Securities Laws and applicable federal United States securities laws at all times during the period ending two years after the Automatic Exercise Deadline, provided that this covenant shall be deemed satisfied to the extent that the Issuer remains a "foreign issuer" as defined in Regulation S under the U.S. Securities Act and maintains its trading market on the TSXV or another "designated offshore securities market" as defined in Regulation S, such that a sale made through the facilities of the TSXV or such other "designated offshore securities market" in compliance with Rule 904 of Regulation S would not result in Shares being "restricted securities" in the hands of the buyer;

(g) within the time periods required under the applicable securities laws, including the Applicable Legislation and the applicable United States securities laws, shall file all such documents and pay all such fees as may be required thereunder in respect of the Offering;

(h) shall allot for issuance sufficient Common Shares to issue the Shares and the Compensation Option Shares;

(i) shall not take any action which would be reasonably expected to result in the delisting or suspension of its Common Shares on or from the TSXV or any alternative trading market other than in connection with an amalgamation or other business combination transaction (whether by way of merger, plan of arrangement, consolidation, asset acquisition or disposition or other transaction) completed in accordance with Applicable Legislation, and the Issuer shall comply, in all material respects, with the rules and regulations thereof; and

(j) the Issuer shall use the net proceeds of the Offering for the continued development of the Issuer's Bloom Lake Iron Ore Deposit in Quebec and for general corporate purposes.

**9. Closing.**

9.1 The Offering shall be completed at the offices of the Issuer's counsel, Cassels Brock & Blackwell LLP, in Toronto Ontario or at such other place as the Lead Underwriter and the Issuer may agree.

9.2 At the Closing Time:

(a) the Issuer shall deliver to the Underwriters on their own behalf and on behalf of the Purchasers:

(i) the requisite legal opinions and certificates as contemplated in Section 10.1 of this Agreement;

(ii) certificates representing the Broker Options in the names and denominations reasonably requested by the Underwriters; and

(iii) such further documentation as may be contemplated herein or as applicable regulatory authorities may reasonably require; and

(b) certificates representing the Special Warrants purchased by the Purchasers, in the names and denominations reasonably requested by the Purchasers and as directed by the Underwriters, shall be certified and delivered by the Special Warrant Agent to the Underwriters on behalf of the Purchasers, subject to delivery by the Underwriters to the Issuer of duly executed Subscription Agreements for acceptance by the Issuer;

against receipt by the Issuer of the proceeds of the Offering, net of the Underwriters' Commission and the Underwriters' expenses as set out in Section 13 of this Agreement.

9.3 The Issuer shall endorse the certificates representing the Special Warrants and the Broker Options with such legends as required by the Applicable Legislation and the TSXV.

**10. Conditions of Closings.**

10.1 The obligations of the Underwriters on Closing shall be conditional upon the following:

(a) the Underwriters shall have received favourable legal opinions addressed to the Underwriters and the Purchasers, in form and substance satisfactory to the Underwriters, acting reasonably, dated as of the Closing Date, from Cassels Brock & Blackwell LLP, counsel to the Issuer, as to matters regarding the laws of the Province of Ontario and the federal laws of Canada applicable therein, and from other local counsel of the Issuer in the other Qualifying Provinces as to matters regarding the laws of such jurisdictions, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Issuer, as appropriate, with respect to the following matters:

(i) the Issuer is a corporation validly subsisting under the laws of Canada;

(ii) the Issuer has all requisite corporate capacity and power to carry on its business as now conducted by it and to own its assets and the Issuer has all requisite corporate capacity and power to execute and deliver the Documents and to perform all transactions contemplated by this Agreement;

(iii) the Issuer is a reporting issuer in the Provinces of British Columbia, Alberta, Ontario and Quebec and is not included on a list of defaulting issuers maintained by the securities regulatory authorities in such provinces;

(iv) as at the date hereof, the authorized capital of the Issuer consists of an unlimited number of Common Shares and Class A preferred shares;

(v) the execution and delivery of the Documents and the performance of the transactions contemplated thereby (including the issuance and/or sale of the Securities), do not and will not result in a breach of, and do not create a state of facts which, after notice or lapse of time or both, will result in a breach of, and do not and will not conflict with, any of the terms, conditions or provisions of the articles or by-laws of the Issuer;

(vi) all necessary corporate action has been taken by the Issuer to authorize the execution and delivery of each of the Documents. Each of the Documents has been duly authorized and, other than the certificates representing the Compensation Options, executed and delivered by the Issuer and each of the Documents constitutes, or in the case of the certificates representing the Compensation Options, shall constitute upon execution and delivery, a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms (subject to the usual qualifications);

(vii) all necessary corporate action has been taken by the Issuer to authorize the allotment and issue of the Shares and the Compensation Option Shares and the creation, allotment and issue of the Special Warrants, the Broker Options and the Compensation Options;

(viii) upon the exercise of the Special Warrants in accordance with their terms, the Shares issuable on such exercise will be validly issued and outstanding as fully paid and non-assessable Common Shares in the capital of the Issuer;

(ix) upon the exercise of the Compensation Options in accordance with their terms and the payment to the Issuer of the exercise price required upon such exercise, the Compensation Option Shares issuable on such exercise will be validly issued and outstanding as fully paid and non-assessable Common Shares in the capital of the Issuer;

(x) the offering, sale and issuance of the Special Warrants to the Purchasers and the issuance of the Broker Options to the Underwriters in accordance with the terms of this Agreement are exempt from the prospectus requirements of the Applicable Legislation, and no prospectus is required to be filed nor are any other documents required to be filed, proceedings taken, or approvals, permits, consents or authorizations obtained by the Issuer under the Applicable Legislation to permit the offer, issue and sale of the Special Warrants by the Issuer to the Purchasers in the Qualifying Provinces or to permit the issuance of the Broker Options to the Underwriters;

(xi) no filings, proceedings, approvals, consents or authorizations are required to be made, taken or obtained pursuant to the Applicable Legislation to permit the issuance of the Shares upon exercise of the Special Warrants provided that they are issued in accordance with the terms and conditions of the certificates representing the Special Warrants and the Special Warrant Indenture;

(xii) no filings, proceedings, approvals, consents or authorizations are required to be made, taken or obtained pursuant to the Applicable Legislation to permit the issuance of the Compensation Options upon exercise of the Broker Options provided that they are issued in accordance with the terms and conditions of the certificates representing the Broker Options;

(xiii) no filings, proceedings, approvals, consents or authorizations are required to be made, taken or obtained pursuant to the Applicable Legislation to permit the issuance of the Compensation Option Shares upon exercise of the Compensation Options provided that they are issued in accordance with the terms and conditions of the certificates representing the Compensation Options;

(xiv) no filings, proceedings, approvals, consents or authorizations are required to be made, taken or obtained pursuant to the Applicable Legislation to permit the first trade of the Special Warrants or, in the event that the Special Warrants or Compensation Options are exercised prior to the issuance of a Final Receipt, the Shares or Compensation Option Shares, as applicable, through registrants registered under the Applicable Legislation who comply with such Applicable Legislation, provided that:

(A) at the time of such first trade, the Issuer is and has been a "reporting issuer" (within the meaning of the securities laws of such jurisdiction) in a "jurisdiction" (as such term is defined in National Instrument 14-101 *Definitions*) of Canada for the four months immediately preceding such trade;

(B) at the time of the first trade, at least four months have elapsed: (i) from the distribution date (as defined in NI 45-102) of the Special Warrants or Broker Options, as applicable;

(C) the certificates representing the Special Warrants and, if issued prior to the date that is four months and one day after the Closing Date and prior to the issuance of a Final Receipt, the Shares and Compensation Options, as applicable, carry a legend, or an ownership statement issued under a direct registration system or other electronic book-entry system acceptable to the regulator bears a legend restriction notation, as required by NI 45-102;

(D) such trade is not a "control distribution" as defined in NI 45-102;

(E) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade;

(F) no extraordinary commission or other consideration is paid to a person or company in respect of the trade; and

(G) if the selling securityholder is an insider or officer of the Issuer at the time of the first trade, the selling securityholder has no reasonable grounds to believe that the Issuer is in default of "securities legislation" (as such term is defined in National Instrument 14-101 *Definitions)*.

(xv) the form of share certificate for the Common Shares of the Issuer has been approved by the directors of the Issuer;

(xvi) the TSXV has accepted for filing the notice of the issue of the Securities and has conditionally accepted the Offering, subject to the conditions contained in the conditional approval letter of the TSXV dated June 1, 2006;

(xvii) that upon the issuance of a Final Receipt, (A) the Shares issuable upon the exercise or automatic exercise of the Special Warrants, and (B) the Compensation Option Shares issuable upon exercise of the Compensation Options, will not be subject to the prospectus requirements and statutory hold periods under the Applicable Legislation, and no filings, proceedings, approvals, consents or authorizations under the Applicable Legislation will be required with or of the Commissions to permit the trading of such Shares or Compensation Option Shares in the Qualifying Provinces subject to customary qualifications;

(b) the Underwriters shall have received a favourable legal opinion addressed to the Underwriters, in form and substance satisfactory to the Underwriters, acting reasonably, dated as of the Closing Date, from the Issuer's Quebec counsel, relating to the Issuer's title to the Bloom Lake Iron Ore property;

(c) the Underwriters shall have received a favourable legal opinion addressed to the Underwriters and the Purchasers, in form and substance satisfactory to the Underwriters, acting reasonably, dated as of the Closing Date, from the Issuer's United States counsel, to the effect that (i) if any Special Warrants are sold by the Underwriters in the United States or to U.S. Persons, no registration under the U.S. Securities Act is required for the offer and sale of such Special Warrants to the Underwriters and the initial resale of such Special Warrants by the Underwriters through the U.S. broker-dealer affiliate of the Lead Underwriter; (ii) if any Special Warrants are purchased from the Issuer by substituted purchasers in the United States or substituted purchasers that are U.S. Persons or are purchasing for the account or benefit of U.S. Persons, no registration under the U.S. Securities Act is required for the offer by the Underwriters and the sale of such Special Warrants, provided in the case of both clause (i) and (ii) that such offers and sales are made in accordance with Schedule 6 to this Agreement and a Subscription Agreement is obtained for each such initial resale in a form approved by the Issuer's United States counsel; and (iii) the Shares issuable upon the exercise or automatic exercise of the Special Warrants by persons in the United States or to U.S. Persons are not required to be registered under the U.S. Securities Act provided that such Shares are issued by the Issuer exclusively to existing holders of the Special Warrants in exchange for the Special Warrants and no commission or other remuneration was paid or given directly or indirectly for soliciting such exchange and the Special Warrants are exercised and issued only as provided in the applicable Subscription Agreement and the Special Warrant Indenture;

(d) the Underwriters shall have received a certificate, dated as of the Closing Date, signed by the President and Chief Executive Officer and Chief Financial Officer of the Issuer, or such other officers of the Issuer as the Underwriters may agree, certifying for and on behalf of the Issuer, and not in their personal capacities and without personal liability, to the best of the knowledge, information and belief of the persons so signing, that:

(i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Issuer or prohibiting the sale of the Special Warrants has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any regulatory authority;

(ii) since June 30, 2005, (A) there has been no material adverse change (actual or proposed, whether financial or otherwise) in the business, business prospects, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Issuer that has not been disclosed in the Disclosure Record, and (B) except as disclosed in the Disclosure Record, no transactions have been entered into by the Issuer which are or would be material to the Issuer, other than in the ordinary course of business;

(iii) the Issuer has duly complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time; and

(iv) the representations and warranties of the Issuer contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing after giving effect to the transactions contemplated by this Agreement;

(e) the Underwriters and their counsel shall have received a certificate dated the Closing Date signed by an appropriate officer or officers of the Issuer addressed to the Underwriters, with respect to the constating documents of the Issuer, all resolutions of the Issuer's board of directors relating to the Documents and the transactions contemplated hereby and thereby, and the incumbency and specimen signatures of signing officers;

(f) the Underwriters shall have received evidence that all requisite regulatory approvals, including the conditional approval of the TSXV have been obtained by the Issuer in order to complete the Offering and approve the listing of the Shares and Compensation Option Shares;

(g) the Subscription Agreements and the certificates representing the Special Warrants and the Broker Options shall have been executed and delivered by the parties thereto in form and substance satisfactory to the Underwriters, acting reasonably;

(h) the Issuer and the Special Warrant Agent shall have executed the Special Warrant Indenture;

(i) the Underwriters shall have received a certificate from the Issuer's transfer agent as to the number of Common Shares issued and outstanding as at a date no more than two Business Days prior to the Closing Date;

(j) the Underwriters shall have received a certificate of compliance in respect of the Issuer evidencing that the Issuer is in good standing; and

(k) the Underwriters shall have received a reporting issuer certificate or no-default letter for the Issuer from each of the provinces of British Columbia, Alberta, Ontario and Quebec.

**11. Material Changes.**

The Issuer agrees that if, between the date of this Agreement and the Clearance Date a Material Change, or a change in a Material Fact occurs, the Issuer shall:

(a) as soon as practicable notify the Underwriters in writing, setting forth the particulars of such change;

(b) in the event of a Material Change or a change in a Material Fact, as soon as practicable, issue and file with the applicable securities regulatory authorities and the TSXV a press release that is authorized by a senior officer disclosing the nature and substance of the change;

(c) in the event of a Material Change, as soon as practicable file with the applicable securities regulatory authorities the report required by the applicable securities legislation and in any event no later than 10 days after the date on which the change occurs;

(d) provide copies of that press release, when issued, and that report, when filed, to the Underwriters and their counsel; and

(e) prepare and file an amendment to the Preliminary Prospectus or Prospectus or any Supplementary Material, as applicable, if required by Applicable Legislation.

**12. Termination.**

12.1 Each Underwriter shall be entitled to terminate its obligation to purchase the Special Warrants by written notice to that effect given to the Issuer at or prior to the Closing Time if:

(a) there should be discovered any Material Fact which existed as of the date of the Engagement Letter but which has not been publicly disclosed which, in the reasonable opinion of the Underwriters, has or would be expected to have a significant adverse effect on the market price or value of the securities of the Issuer;

(b) there is, in the reasonable opinion of the Underwriters, a Material Change or a change in any Material Fact or new Material Fact shall arise which would be expected to have a significant adverse effect on the business, affairs, or profitability of the Issuer or on the market price or the value of the securities of the Issuer;

(c) there should develop, occur or come into effect any event of any nature, including without limitation, terrorism, accident, or new or change in governmental law or regulation or other condition or financial occurrence of national or international consequence, which, in the reasonable opinion of the Underwriters has or would be expected to have a significant adverse effect on the financial markets generally or the business, affairs, operations or profitability of the Issuer or the market price or value of the securities of the Issuer;

(d) any inquiry, action, suit, proceeding or investigation (whether formal or informal) (including matters of regulatory transgression or unlawful conduct) is commenced, announced or threatened in relation to the Issuer or any one of the officers or directors of the Issuer or any of its principal shareholders which, in the reasonable opinion of the Underwriters has or would be expected to have a significant adverse effect on the market price or value of the securities of the Issuer;

(e) any order to cease trading in securities of the Issuer is made or threatened by a securities regulatory authority; or

(f) the Issuer is in breach of any material term, condition or covenant of the Engagement Letter or this Agreement or any material representation or warranty given by the Issuer in this Agreement becomes or is false.

12.2 If this Agreement is terminated by any of the Underwriters pursuant to this Section 12, there shall be no further liability on the part of such Underwriter or of the Issuer to such Underwriter, except in respect of any liability that may have arisen or may thereafter arise under Sections 13 and 14 hereof. The right of the Underwriters or any one of them to terminate their respective obligations under this Agreement is in addition to such other remedies available at law, in equity or otherwise, as they may have in respect of any default, act or failure to act of the Issuer in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Underwriter under this Section shall not be binding upon the other Underwriters.

**13. Expenses of Underwriters.**

13.1 All costs and expenses of the Offering, whether or not completed, will be borne by the Issuer, including, but not limited to, the fees and disbursements of the Issuer's legal counsel; the expenses of the Issuer's auditors, transfer and registrar agent and Special Warrant Agent; listing fees; all fees and expenses associated with the preparation, translation, filing, printing and distribution of the Preliminary Prospectus and the Prospectus and with the issue, sale, distribution and qualification of the Special Warrants and the securities issuable thereunder; and all of the Underwriters' expenses and the reasonable legal fees (to a maximum of $75,000) and disbursements (and all applicable taxes thereon) of legal counsel to the Underwriters. All expenses incurred by the Underwriters and the fees and disbursements of the Underwriters' legal counsel shall be payable by the Issuer forthwith upon receiving an invoice therefor, whether or not the Offering is completed.

13.2 On Closing, the Issuer authorizes the Underwriters to deduct their reasonable expenses in connection with the Offering and the anticipated expenses related to the filing of the Preliminary Prospectus and the Prospectus from the proceeds of the Offering and any advance payments made by the Issuer, including expenses for which an account has not yet been rendered.

**14. Indemnity.**

14.1 The Issuer hereby agrees to indemnify and hold the Underwriters and each of their respective subsidiaries and affiliates and their respective directors, officers, employees and shareholders (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any claim that may be made against any Indemnified Party, to which any Indemnified Party may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Issuer by any Indemnified Party in connection with the Offering (including, without limitation, pursuant to or in connection with the Prospectus), provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

(i) the Indemnified Party has been negligent or dishonest or has committed any fraudulent act in the course of such performance; and

(ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the negligence, dishonesty or fraud referred to in (i).

14.2 If for any reason (other than the occurrence of any of the events itemized in 14.1(i) and (ii) above), the foregoing indemnification is unavailable to the Indemnified Party or insufficient to hold it harmless, then the Issuer shall contribute to the aggregate amount paid or payable by such Indemnified Party, as incurred, as a result of any losses, claims, damages, liabilities or expenses referred to therein (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer, on the one hand, and the Underwriters, on the other hand, from the Offering, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuer, on the one hand, and the Underwriters, on the other hand, in connection with the statements or omissions or inaccuracies in the representations and warranties herein which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations.

14.3 The relative benefits received by the Issuer, on the one hand, and the Underwriters, on the other hand, in connection with the Offering shall be deemed to be in the same respective proportions as the total net proceeds from the Offering (before deducting expenses) received by the Issuer and the Underwriters' Commission, bear to the aggregate public offering price of the Special Warrants sold pursuant to the Offering.

14.4 The relative fault of the Issuer, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact or any such inaccurate or alleged inaccurate representation or warranty relates to information supplied by the Issuer, on the one hand, or the Underwriters, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

14.5 Notwithstanding the foregoing, the Underwriters shall not be required to contribute any amount in excess of the Underwriters' Commission. No person guilty of fraudulent misrepresentation (as determined by a court of competent jurisdiction in a final non-appealable judgment) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

14.6 The Issuer hereby waives its right to recover contribution from the Underwriters with respect to any liability of the Issuer by reason of or arising out of any misrepresentation contained in the Preliminary Prospectus, the Prospectus or in any Supplementary Material; provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of or arising out of any misrepresentation which is based upon or results from information relating solely to or provided by the Underwriters contained in such document.

14.7 The Issuer agrees that in case any legal proceeding shall be brought against the Issuer and/or any Indemnified Party by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Issuer and/or any

Underwriter and any Indemnified Party shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Issuer by the Indemnified Party, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Underwriters for time spent by their personnel in connection therewith) and out-of-pocket expenses incurred by their personnel in connection therewith shall be paid by the Issuer as they occur.

14.8 Promptly after receiving notice of an action, suit, proceeding or claim against the Underwriters or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Issuer, the Underwriters or any such other Indemnified Party will notify the Issuer in writing of the particulars thereof, provided that the omission so to notify the Issuer shall not relieve the Issuer of any liability which the Issuer may have to the Underwriters or any other Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the defence of such actions, suit, proceeding, claim or investigation or results in any material increase in the liability which the Issuer has under this indemnity.

14.9 The Issuer shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel. Upon the Issuer notifying the Indemnified Party in writing of its election to assume the defence and retaining counsel, the Issuer shall not be liable to the Indemnified Party for any legal expenses subsequently incurred by them in connection with such defence. If such defence is assumed by the Issuer, the Issuer throughout the course thereof will provide copies of all relevant documentation to the Indemnified Party, will keep the Indemnified Party advised of the progress thereof and will discuss with the Indemnified Party all significant actions proposed.

14.10 Notwithstanding the foregoing paragraph, the Indemnified Party shall have the right, at the Issuer's expense, to employ counsel of the Indemnified Party's choice, in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Issuer; or (ii) the Issuer has not assumed the defence and employed counsel therefor within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Issuer or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including without limitation because there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Issuer (in which event and to that extent, the Issuer shall not have the right to assume or direct the defence on the Indemnified Party's behalf) or that there is a conflict of interest between the Issuer and the Indemnified Party or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events the Indemnified Party shall not have the right to assume or direct the defence on the Indemnified Party's behalf).

14.11 No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Indemnified Party affected. No admission of liability shall be made and the Issuer shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent.

14.12 To the extent that any Indemnified Party is not a party to this Agreement the Underwriters shall obtain and hold the right and benefit of this section in trust for and on behalf of such Indemnified Party.

14.13 The obligations of the Issuer hereunder are in addition to any liabilities which the Issuer may otherwise have to the Underwriters or any other Indemnified Party.

**15. Notice.**

15.1 Any notice under this Agreement shall be given in writing and must be delivered, sent by facsimile transmission or mailed by prepaid post and addressed to the party to which notice is to be given at the following addresses, or at another address designated by the party in writing:

(a) If to the Issuer:

Consolidated Thompson-Lundmark Gold Mines Limited
65 Queen Street West, Suite 815, Box 75
Toronto, Ontario M5H 2M5

Attention: Richard Quesnel, President and Chief Executive Officer
Fax: (514) 393-9041

with a copy to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

Attention: John Vettese
Fax: (416) 350-6930

(b) If to the Lead Underwriter, on behalf of itself, or on behalf of the Underwriters:

Orion Securities Inc.
BCE Place, 181 Bay Street
Suite 3100, P.O. Box 850
Toronto, Ontario M5J 2T3

Attention: Doug Bell
Fax: (416) 848-3699

with a copy to:

Fasken Martineau DuMoulin LLP
66 Wellington Street West
Suite 4200, TD Bank Tower
Box 20, TD Centre
Toronto, Ontario
M5K 1N6

Attention: Robert Mason
Fax: (416) 364-7813

15.2 If notice is sent by facsimile transmission or is delivered, it shall be deemed to have been given at the time of transmission or delivery.

15.3 If notice is mailed, it shall be deemed to have been received 48 hours following the date of mailing of the notice.

15.4 If there is an interruption in normal mail service due to strike, labour unrest or other cause at or prior to the time a notice is mailed the notice shall be sent by facsimile transmission or shall be delivered.

**16. Time.**

Time shall, in all respects, be of the essence hereof.

**17. Survival of Representations and Warranties.**

All warranties, representations, covenants and agreements herein contained or contained in any certificate delivered pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the purchase and sale of the Special Warrants and continue in full force and effect for the benefit of the Underwriters, the Purchasers and/or the Issuer, as the case may be, for a period of two years from the Closing and regardless of any investigations which may be carried out by the Underwriters or on their behalf, and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in connection with the purchase and sale of the Special Warrants or otherwise. In this regard, the Underwriters shall act as trustee for the Purchasers and accepts these trusts and shall hold and enforce such rights on behalf of the Purchasers.

**18. Language.**

This Agreement is to be read with all changes in gender or number as required by the context. The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. Les parties reconnaissent avoir expressment demandées que la présente convention ainsi que tout avis, tout état de compte et tout autre document a être ou pouvant etre donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.

**19. Enurement.**

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

**20. Headings.**

The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

**21. Entire Agreement.**

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including, without limitation, the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.

**22. Further Assurances.**

Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

**23. Counterparts.**

This Agreement may be executed in any number of counterparts and may be delivered by facsimile transmission, each of which shall be deemed to be an original and all of which shall constitute one agreement, effective as of the date given above.

**24. Authority to Lead Underwriter.**

The Issuer shall be entitled to and shall act on any notice, request, direction, consent, waiver, extension and other communication given or agreement entered into by or on behalf of the Underwriters by the Lead Underwriter who shall represent the Underwriters in all respects and have authority to bind the Underwriters hereunder, except in respect of Sections 2.4, 2.5, 2.6, 12 and 14. In all cases, the Lead Underwriter shall use its best efforts to consult with the other Underwriters prior to taking any action contemplated herein.

**25. Law.**

This Agreement is governed by the laws of the Province of Ontario and the laws of Canada applicable therein, and the parties hereto irrevocably attorn and submit to the jurisdiction of the courts of Ontario with respect to any dispute related to this Agreement.

**26. Acceptance.**

If the Issuer is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and by returning by facsimile one copy and returning by courier one originally executed copy to Orion Securities Inc., on behalf of the Underwriters (Attention: Doug Bell).

**ORION SECURITIES INC.**

Per: *"Doug Bell"*
Authorized Signatory

**CANACCORD CAPITAL CORPORATION**

Per: *"Craig Warren"*
Authorized Signatory

**GMP SECURITIES L.P.**

Per: *"Mark Wellings"*
Authorized Signatory

**CIBC WORLD MARKETS INC.**

Per: *"David Scott"*
Authorized Signatory

The foregoing is hereby accepted on the terms and conditions therein set forth.

**DATED** as of the 9th day of June, 2006.

**CONSOLIDATED THOMPSON-LUNDMARK GOLD MINES LIMITED**

Per: *"Deborah Battiston"*
Deborah Battiston
Chief Financial Officer

## SCHEDULE 6

## UNITED STATES OFFERS AND SALES

As used in this Schedule 6, the following terms have the following meanings:

"**Directed Selling Efforts**" means directed selling efforts as that term in defined in Regulation S. Without limiting the foregoing, but for greater clarity in this schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Special Warrants or Common Shares, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Special Warrants.

"**General Solicitation**" **and** "**General Advertising**" means "general solicitation" and "general advertising", respectively, as used in Rule 502(c) under the U.S. Securities Act, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or in any other manner involving a public offering within the meaning of Section 4(2) of the U.S. Securities Act.

"**Institutional Accredited Investors**" means those institutional "accredited investors" specified in rule 501(a)(1), (2), (3), and (7) of Regulation D.

"**Regulation D**" means Regulation D under the U.S. Securities Act.

"**Substantial U.S. Market Interest**" means substantial U.S. market interest as that term is defined in Regulation S.

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

All other capitalized terms used but not otherwise defined in this Schedule 6 shall have the meanings assigned to them in the Agreement to which this Schedule 6 is attached.

**Representations, Warranties and Covenants of the Issuer**

The Issuer represents, warrants and covenants to the Underwriters that:

1. There is no Substantial U.S. Market Interest with respect to the Special Warrants or Common Shares.

2. None of the Issuer, its subsidiaries or any persons acting on its or their behalf (other than the Underwriters, their respective affiliates or any person acting on their behalf, in respect of which no representation or covenant is made) has engaged or will engage in any Directed Selling Efforts or has engaged or will engage in any form of General Solicitation or General Advertising with respect to the Special Warrants.

3. Except with respect to the offer and sale of Special Warrants offered hereby, the Issuer has not, for a period of six months prior to the commencement of the offering of Special Warrants, sold, offered for sale or solicited any offer to buy any of its securities in the United States in a manner that would be integrated with the offer and sale of the Special Warrants and would cause the exemption from

registration set forth in Rule 506 of Regulation D to become unavailable with respect to the offer and sale of the Special Warrants.

**Representations, Warranties and Covenants of the Underwriters**

Each Underwriter represents, warrants and covenants to the Issuer that, in connection with all offers and sales of the Special Warrants:

1. It acknowledges that the Special Warrants have not been and will not be registered under the U.S. Securities Act and may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act. Accordingly, it has offered and sold and will offer and sell the Special Warrants only (1) to persons outside the United States in accordance with Rule 903 of Regulation S or (2) to persons in the United States or to, or for the account or benefit of, U.S. Persons, as provided in paragraphs 2 through 6 below.

None of the Underwriter or their affiliates or any persons acting on their behalf (other than the Issuer or its subsidiaries or affiliates, or any person acting on its or their behalf, in respect of which no representation or covenant is made) has engaged or will engage in any Directed Selling Efforts with respect to the Special Warrants**.**

Other than any banking and selling group agreement, it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Special Warrants, except with its affiliates or with the prior written consent of the Issuer.

2. All offers of the Special Warrants in the United States or to, or for the account or benefit of, U.S. Persons, and all sales of the Special Warrants by the Underwriters in the United States or to, or for the account or benefit of, U.S. Persons, will be effected by Orion Securities (USA) Inc. (the "U.S. Affiliate") in accordance with all applicable U.S. broker-dealer requirements.

3. Each offeree will be provided with a Subscription Agreement containing such representation, warranties and acknowledgements as may be necessary to ensure compliance with U.S. securities laws and no other written material will be used in connection with the offer or sale of the Special Warrants in the United States or to U.S. Persons or persons acting for the account or benefit of U.S. Persons.

4. Immediately prior to transmitting the Subscription Agreement it had reasonable grounds to believe and did believe that each offeree was an Institutional Accredited Investor.

5. No form of General Solicitation or General Advertising will be used, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Special Warrants in the United States or to U.S. Persons or persons acting for the account or benefit of U.S. Persons.

6. Prior to any sale of Special Warrants in the United States or to U.S. Persons or persons acting for the account or benefit of U.S. Persons, it shall cause each purchaser thereof to sign and deliver the aforementioned Subscription Agreement.

7. At the closing, Orion Securities Inc., together with the U.S. Affiliate, will provide a certificate, substantially in the form of Annex 1 to this Schedule 6, relating to the manner of the offer and sale of the Special Warrants in the United States or to U.S. Persons or persons acting for the account or benefit of U.S. Persons.

8. If it is a U.S. Person or is purchasing the Special Warrants in the United States or for the account or benefit of U.S. Persons, it is an Institutional Accredited Investor.

ANNEX 1

**UNDERWRITERS' CERTIFICATE**

In connection with the private placement of Special Warrants (the "**Special Warrants**") of Consolidated Thompson-Lundmark Gold Mines Limited (the "**Issuer**"), with U.S. institutional investors (each, a "**U.S. Private Placee**") pursuant to Subscription Agreements dated as of June 9, 2006, the undersigned Orion Securities Inc. (the "**Lead Underwriter**"), on behalf of the several Underwriters referred to in the Underwriting Agreement dated as of June 9, 2006, among the Issuer and the Underwriters (the "**Underwriting Agreement"**), and the undersigned Orion Securities (USA) Inc., in its capacity as placement agent in the United States for the Underwriters (the "**U.S. Affiliate**"), do hereby certify that:

(a) Orion Securities (USA) Inc. is a duly registered broker or dealer with the United States Securities and Exchange Commission and is a member of, and in good standing with, the National Association of Securities Dealers, Inc. on the date hereof;

(b) all offers and sales of the Special Warrants in the United States were made to a maximum of 50 institutional "accredited investors" (as defined below);

(c) all offers and sales of the Special Warrants in the United States have been effected in accordance with all applicable U.S. broker-dealer requirements;

(d) each offeree was provided with a Subscription Agreement containing such representation, warranties and acknowledgements as may be necessary to ensure compliance with U.S. securities laws and no other written material was used in connection with the offer or sale of the Special Warrants in the United States;

(e) immediately prior to our transmitting the Subscription Agreement to such offerees, we had reasonable grounds to believe and did believe that each offeree was an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and, on the date hereof, we continue to believe that each U.S. Private Placee is an institutional "accredited investor";

(f) no form of general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act ("**Regulation D**")) was used by us, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Special Warrants in the United States or to U.S. Persons or persons acting for the account or benefit of U.S. Persons; and

(g) prior to any sale of Special Warrants in the United States or to U.S. Persons or persons acting for the account or benefit of U.S. Persons, we caused each U.S. Private Placee to sign a Subscription Agreement containing such representation, warranties and acknowledgements as may be necessary to ensure compliance with U.S. securities laws.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

Dated this ____ day of June, 2006.

**ORION SECURITIES INC.**

By: ______________________________
Name:
Title:

**ORION SECURITIES (USA) INC.**

By: ______________________________
Name:
Title:

## SCHEDULE 7.1(g)

| | |
|---|---|
| Warrants | 3,540,000@$0.29 (June 1/07) |
| Options | 160,000@$0.14 (Feb. 15/07)<br>40,000@$0.20 (Feb. 15/07)<br>25,000@$0.25 (Dec. 10/08)<br>465,000@$0.25 (June 1/10)<br>200,000@$0.46 (Aug. 26/10)<br>50,000@$0.66 (Jan. 13/11)<br>250,000@$0.87 (Jan. 26/11)<br>325,000@$1.00 (Feb. 1/11)<br>50,000@$1.65 (March 17/11)<br>40,000@$1.98 (March 30/11) |

**SCHEDULE 7.1(j)**

The following mining rights (claims) are registered in the Public Register of Real and Immovable Mining Rights of the Minister of Natural Resources:

| | | | | |
|---|---|---|---|---|
| 1133830 | 1133834 | 1133838 | 1133842 | 1133846 |
| 1133831 | 1133835 | 1133839 | 1133843 | 1133847 |
| 1133832 | 1133836 | 1133840 | 1133844 | |
| 1133833 | 1133837 | 1133841 | 1133845 | |