CONSOLIDATED THOMPSON-LUNDMARK GOLD MINES LIMITED

and

EQUITY TRANSFER SERVICES INC.

SPECIAL WARRANT INDENTURE

Providing for the Issue of up to 16,375,000 Special Warrants

Dated as of June 9, 2006

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SCHEDULES

SPECIAL WARRANT INDENTURE

THIS INDENTURE made as of June 9, 2006,

BETWEEN:

CONSOLIDATED THOMPSON-LUNDMARK GOLD MINES LIMITED, a company amalgamated under the laws of Canada and having a head office at in the City of Toronto, Ontario

(the "**Corporation**")

AND

EQUITY TRANSFER SERVICES INC. a company incorporated under the laws of Canada and having an office in the City of Toronto, Ontario

(the "**Warrant Agent**")

WHEREAS:

A. All capitalized terms used in these recitals have the meanings ascribed to them in section 1.1 below;

B. The Corporation proposes to issue up to 16,375,000 Special Warrants at the price of $2.75 per Special Warrant on a private placement basis pursuant to the Underwriting Agreement;

C. Each Special Warrant shall entitle the Holder thereof to receive, without payment of any further consideration and subject to adjustment and penalties in certain circumstances, one Common Share at any time prior to the Expiry Time upon the terms and conditions herein set forth;

D. The Corporation is duly authorized to create and issue the Special Warrants to be issued as herein provided;

E. All things necessary have been done and performed to make the Special Warrants, when issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits of and subject to the terms of this Indenture;

F. The foregoing recitals are made as representations and statements of fact by the Corporation and not by the Warrant Agent; and

G. the Warrant Agent has agreed to act as the warrant agent in respect of the Special Warrants on behalf of the Holders on the terms and conditions herein set forth;

NOW THEREFORE THIS INDENTURE WITNESSES that for good and valuable consideration mutually given and received, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 DEFINITIONS

In this Indenture, including the recitals and schedules hereto, the following words and phrases shall have the following meanings:

(a) "**Business Day**" means any day (other than a Saturday, Sunday or statutory holiday) on which the principal transfer office of the Warrant Agent in Toronto, Ontario is open for business;

(b) "**Clearance Date**" means the day on which the last of the Canadian securities regulatory authorities in the Qualifying Provinces issues a Final Receipt;

(c) "**Closing Date**" means June 9, 2006 or such other date or dates as may be agreed to by the Corporation and the Underwriters;

(d) "**Common Shares**" means the common shares in the capital of the Corporation as such common shares are presently constituted, and "**Common Share**" means any one of them;

(e) "**Convertible Security**" means a security of the Corporation (other than the Special Warrants) or of any other issuer convertible into or exchangeable for or otherwise carrying the right to acquire Common Shares;

(f) "**Corporation**" means Consolidated Thompson-Lundmark Gold Mines Limited and includes any Successor Corporation to or of Consolidated Thompson-Lundmark Gold Mines Limited which has complied with the provisions of Article 8;

(g) "**Corporation's Auditors**" means an independent firm of chartered accountants duly appointed as auditors of the Corporation;

(h) "**Counsel**" means a barrister or solicitor or firm of barristers or solicitors retained by the Warrant Agent or retained or employed by the Corporation and acceptable to the Warrant Agent, acting reasonably;

(i) "**Current Market Price**" at any date, means the weighted average price per Common Share at which the Common Shares have traded:

(i) on the TSXV;

(ii) if the Common Shares are not listed on the TSXV, on any stock exchange upon which the Common Shares are listed as may be selected for this purpose by the Directors and approved by the Warrant Agent; or

(iii) if the Common Shares are not listed on any stock exchange, on any over-the-counter market as may be selected for this purpose by the Directors and approved by the Warrant Agent;

during the last twenty (20) trading days (on which at least 500 Common Shares are traded in board lots) ending the fifth trading day before such date, and the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares traded on the exchange or market, as the case may be, during such twenty (20) consecutive trading days by the aggregate number of Common Shares sold;

(j) "**Director**" means a director of the Corporation and "**Directors**" or "**Board of Directors**" means the board of directors of the Corporation or, whenever duly empowered, a committee of the board of directors of the Corporation, and reference to "**action by the directors**" means action by the directors of the Corporation as a board or action by a committee as a committee;

(k) "**dividends**" means dividends or distributions (payable in cash or in securities, property or assets of equivalent value) declared payable on the Common Shares;

(l) "**Exercise Date**" means, with respect to any Special Warrant, the date on which the Special Warrant Certificate representing such Special Warrant is surrendered by a Holder for exercise in accordance with the provisions of Article 3 hereof, and, including the date upon which Special Warrants are deemed exercised pursuant to subsection 3.2(3);

(m) "**Exercise Form**" has the meaning ascribed thereto in subsection 3.2(1);

(n) **"Expiry Date"** means October 10, 2006, being the date which is four months and a day following the Closing Date;

(o) "**Expiry Time**" means 5:00 p.m. (Toronto time) on the Expiry Date;

(p) "**Extraordinary Resolution**" has the meaning ascribed thereto in sections 9.12 and 9.15;

(q) "**Final Receipt**" means the final receipt issued by the last of the securities regulatory authorities in the Qualifying Provinces for the Prospectus;

(r) "**Holder**" means a person for the time being who is the registered holder of a Special Warrant;

(s) "**Holders' Request**" means an instrument signed in one or more counterparts by Holders entitled to acquire in the aggregate not less than 20% of the aggregate number of Common Shares which could be acquired pursuant to the exercise of all Special Warrants then unexercised and outstanding, requesting the Warrant Agent to take some action or proceeding specified therein;

(t) “**Indenture**” or “**this Indenture**” and “**hereto**”, “**herein**”, “**hereby**”, “**hereunder**”, “**hereof**” and similar expressions refer to this instrument and not to any particular Article, section, clause, subdivision or other portion hereof, and include each instrument supplemental or ancillary hereto or required to implement this instrument;

(u) “**Indenture Legislation**” has the meaning ascribed thereto in subsection 11.1(1);

(v) “**Officers' Certificate**” means a certificate signed by any one or more of the officers or Directors of the Corporation;

(w) “**Person**” includes any individual, corporation, company, partnership, association, joint venture, trust, unincorporated association, government or governmental authority;

(x) “**Privacy Laws**” has the meaning ascribed thereto in Section 11.16;

(y) “**Prospectus**” means the (final) prospectus of the Corporation qualifying the distribution of the Common Shares to be issued upon exercise of the Special Warrants;

(z) “**Qualification Deadline**” means 5:00 p.m. (Toronto time) on September 7, 2006 being the date that is ninety (90) days following the Closing Date;

(aa) “**Qualifying Provinces**” means each of the provinces of Canada in which Subscribers are resident;

(bb) “**Regulation S**” means Regulation S promulgated under the U.S. Securities Act;

(cc) “**Securities Laws**” means, as applicable, the securities laws, regulations, rules, rulings and orders in the United States and each of the states of the United States and the Qualifying Provinces, the applicable policy statements issued by the securities regulators in the United States and each of the states of the United States and the Qualifying Provinces, and the rules of the TSXV;

(dd) “**Special Warrant Certificate**” means a certificate in substantially the form set out in Schedule “A” hereto, issued and certified hereunder to evidence one or more Special Warrants;

(ee) “**Special Warrants**” means the special warrants of the Corporation issued and certified hereunder and for the time being outstanding entitling registered holders thereof to acquire, for no additional consideration and subject to adjustment in certain circumstances, one Common Share in accordance with the terms hereof, and “**Special Warrant**” means any one of them;

(ff) “**Subscribers**” means, collectively, all of the Persons who have subscribed for Special Warrants and “**Subscriber**” means any one of them;

(gg) “**Subsidiary**” means any corporation of which more than 50% of the votes attached to the outstanding voting shares are owned by or for the Corporation or by or for any corporation in like relation to the Corporation and includes any corporation in like relation to a Subsidiary;

(hh) “**Successor Corporation**” has the meaning ascribed thereto in section 8.1;

(ii) “**TSXV**” means the TSX Venture Exchange;

(jj) “**Underlying Securities**” means the Common Shares underlying the Special Warrants;

(kk) “**Underwriters**” means Orion Securities Inc., Canaccord Capital Corporation, GMP Securities L.P. and CIBC World Markets Inc.;

(ll) “**Underwriting Agreement**” means the underwriting agreement between the Underwriters and the Corporation dated as of June 9, 2006 in respect of the offering and sale of the Special Warrants;

(mm) “**United States**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

(nn) “**U.S. Person**” has the meaning ascribed in Rule 902(k) of Regulation S;

(oo) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

(pp) “**Warrant Agent**” means Equity Transfer Services Inc. or its successor or successors for the time being as warrant agent hereunder, at its principal office in the City of Toronto, Ontario;

(qq) “**Warrant Agency**” means the principal transfer office of the Warrant Agent in the City of Toronto, Ontario and such other locations as the Corporation may designate with the approval of the Warrant Agent;

(rr) “**written order of the Corporation**”, “**written request of the Corporation**”, “**written consent of the Corporation**” and “**certificate of the Corporation**” mean respectively a written order, request, consent and certificate signed in the name of the Corporation by any one or more of the officers of Directors of the Corporation and may consist of one or more instruments so executed and any other documents referred to herein which is required or contemplated to be provided or given by the Corporation is a document signed on behalf of the Corporation by any one or more of such officers;

and a derivative of any defined word or phrase has the meaning appropriate to the derivation of the word or phrase.

1.2 MEANING OF "OUTSTANDING" FOR CERTAIN PURPOSES

Except as provided in section 3.6, every Special Warrant Certificate countersigned and delivered by the Warrant Agent under this Indenture shall be deemed to be outstanding until it has been surrendered to the Warrant Agent pursuant to this Indenture, provided however that:

(a) a Special Warrant Certificate that has been partially exercised or exchanged shall be deemed to be outstanding only to the extent of the unexercised or unexchanged, as the case may be, part of the Special Warrants;

(b) where a Special Warrant Certificate has been issued in substitution for a Special Warrant Certificate that has been lost, stolen or destroyed, only one of them shall be counted for the purpose of determining the Special Warrants outstanding; and

(c) for the purpose of any provision of this Indenture entitling holders of outstanding Special Warrants to vote, sign consents, requests or other instruments or take any other action under this Indenture, Special Warrants owned legally or beneficially by the Corporation or any Subsidiary shall be disregarded, except that:

(i) for the purpose of determining whether the Warrant Agent will be protected in relying on any vote, consent, request or other instrument or other action, only the Special Warrants of which the Warrant Agent has notice that they are so owned shall be so disregarded; and

(ii) Special Warrants so owned that have been pledged in good faith other than to the Corporation or any Subsidiary shall not be so disregarded if the pledgee establishes to the satisfaction of the Warrant Agent the pledgee's right to vote the Special Warrants in the pledgee's discretion free from the control of the Corporation or any Subsidiary pursuant to the terms of the pledge.

1.3 CERTAIN RULES OF INTERPRETATION

Unless otherwise specified in this Indenture:

(a) words importing the singular number include the plural and *vice versa*;

(b) words importing gender include both genders and *vice versa* and words importing individuals include firms and corporations and *vice versa*;

(c) "**in writing**" or "**written**" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including telecopy;

(d) "**including**" is used for illustration only and not to limit the generality of any preceding words, whether or not non-limiting language (such as, "without limitation", "but not limited to" and similar expressions) is used with reference thereto; and

(e) reference to any statute, regulation or by-law includes amendments, consolidations, re-enactments and replacements thereof and instruments and legislation thereunder.

1.4 INTERPRETATION NOT AFFECTED BY HEADINGS, ETC.

The division of this Indenture into Articles, sections and other subdivisions, the inclusion of a table of contents and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Indenture.

1.5 APPLICABLE LAW

This Indenture, the Special Warrants and the Special Warrant Certificates shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any and all disputes arising under this Indenture, the Special Warrants and the Special Warrant Certificates, whether as to interpretation, performance or otherwise, shall be subject to the non-exclusive jurisdiction of the courts of the Province of Ontario and each of the parties hereto irrevocably attorns to the jurisdiction of the courts of such Province.

1.6 LANGUAGE CLAUSE

The parties hereto have required that this Indenture and all documents and notices related thereto or resulting therefrom be drawn up in English.

1.7 DAY NOT A BUSINESS DAY

Whenever any payment is due or required to be made or any other action is required to be taken under this Indenture or the Special Warrant Certificates on or as of a day that is not a Business Day, that payment must be made and the other action must be taken on or as of the next day that is a Business Day.

1.8 CONFLICT

In the event of a conflict or inconsistency between a provision of this Indenture and in the Special Warrant Certificates issued hereunder, the relevant provision in this Indenture shall prevail to the extent of the inconsistency.

1.9 TIME OF THE ESSENCE

Time shall be of the essence of this Indenture, the Special Warrants and the Special Warrant Certificates.

1.10 CURRENCY

Except as otherwise stated, all dollar amounts herein are expressed in Canadian dollars.

1.11 SCHEDULES

Schedules "A" and "B" to this Indenture are incorporated into this Indenture by reference.

ARTICLE 2
ISSUE OF SPECIAL WARRANTS

2.1 CREATION AND ISSUE OF SPECIAL WARRANTS

(1) The Corporation hereby creates and authorizes the issue of Special Warrants, with the aggregate number of Special Warrants to be issued not to exceed 16,375,000 Special Warrants. The issue price per Special Warrant is hereby authorized at $2.75.

(2) The Warrant Agent is hereby appointed warrant agent in respect of the Special Warrants.

2.2 TERMS OF SPECIAL WARRANTS

(1) Upon exercise or deemed exercise in accordance with Section 3.2(3) hereof, prior to the Qualification Deadline, each Special Warrant shall entitle the Holder thereof, without payment of any further consideration and with no further action on the part of the Holder, and subject to adjustment in accordance with Article 4 hereof, to one Common Share. In the event that the Clearance Date has not occurred on or before the Qualification Deadline, any Special Warrants exercised or deemed to be exercised following the Qualification Deadline shall thereafter entitle the Holder to receive 1.05 Common Shares.

(2) No certificate evidencing fractional Special Warrants shall be issued or otherwise provided for and a Subscriber or a Holder shall not be entitled to any cash or other consideration in lieu of any fractional interest in a Special Warrant or claim thereto.

(3) The number of Common Shares which may be acquired pursuant to the exercise of the Special Warrants shall be adjusted in the events and in the manner specified in Article 4.

(4) All Special Warrants shall rank *pari passu*, whatever may be the actual date of issue thereof.

(5) The Special Warrants and any rights thereunder shall expire in accordance with the provisions of section 3.6.

2.3 SPECIAL WARRANT CERTIFICATES

The Special Warrant Certificates to be issued to evidence the Special Warrants authorized for issuance pursuant to section 2.1 shall be issuable in registered form only, shall be in the English language and shall be substantially in the form set out in Schedule "A". All Special Warrant Certificates shall be dated as of the date of their issuance, and shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions. Irrespective of any adjustments pursuant to Article 4, Special Warrant Certificates shall continue to be in the form set out in Schedule "A" and shall continue to express the number of Special Warrants evidenced thereby prior to any such adjustment.

2.4 SIGNING OF SPECIAL WARRANT CERTIFICATES

The Special Warrant Certificates shall be signed by any director or officer of the Corporation. The signature of such signing officer may be mechanically reproduced in facsimile and Special Warrant Certificates bearing such facsimile signature shall be binding upon the Corporation as if they had been manually signed by such signing officer. Notwithstanding that any individual whose manual or facsimile signature appears on any Special Warrant Certificate as a signing officer may no longer hold office or a directorship, as applicable, at the date of issue of such Special Warrant Certificate or at the date of certification or delivery thereof, any Special Warrant Certificate signed as aforesaid shall, subject to section 2.5, be valid and binding upon the Corporation and the Holder thereof shall be entitled to the benefits of this Indenture.

2.5 CERTIFICATION BY THE WARRANT AGENT

(1) Special Warrant Certificates evidencing the Special Warrants shall be certified by or on behalf of the Warrant Agent on written direction of the Corporation.

(2) No Special Warrant Certificate shall be issued or, if issued, shall be valid for any purpose or entitle the Holder to the benefit hereof until it has been certified by manual signature by or on behalf of the Warrant Agent substantially in the form of the certificate set out in Schedule "A", and such certification by the Warrant Agent upon any Special Warrant Certificate shall be conclusive evidence as against the Corporation that the Special Warrant Certificate so certified has been duly issued hereunder and that the Holder is entitled to the benefits hereof.

(3) The certification of the Warrant Agent on Special Warrant Certificates issued hereunder shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or the Special Warrant Certificates (except the due certification thereof) and the Warrant Agent shall in no respect be liable or answerable for the use made of the Special Warrant Certificates or any of them or of the consideration therefor except as otherwise specified herein.

2.6 HOLDER NOT A SHAREHOLDER

Nothing in this Indenture or in the holding of a Special Warrant itself evidenced by a Special Warrant Certificate, or otherwise, shall be construed as conferring upon a Holder any right or interest whatsoever as a shareholder of the Corporation, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of shareholders or any other proceedings of the Corporation, or the right to receive dividends and other distributions, except as may be provided herein or in the Special Warrant Certificates.

2.7 ISSUE IN SUBSTITUTION FOR LOST SPECIAL WARRANT CERTIFICATE

(1) If any of the Special Warrant Certificates shall become mutilated or lost, destroyed or stolen, the Corporation, subject to applicable law and to subsection 2.7(2), shall issue and thereupon the Warrant Agent shall certify and deliver a new Special Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen upon surrender and in place of and upon cancellation of such mutilated Special Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Special Warrant Certificate, and the substituted Special Warrant Certificate shall be in a form

approved by the Warrant Agent and shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Special Warrant Certificates issued or to be issued hereunder.

(2) The applicant for the issue of a new Special Warrant Certificate pursuant to this section 2.7 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Warrant Agent evidence of ownership and of the loss, destruction or theft of the Special Warrant Certificate so lost, destroyed or stolen satisfactory to the Corporation and to the Warrant Agent in their sole discretion, in each case acting reasonably, and such applicant may also be required to furnish an indemnity or surety bond in amount and form satisfactory to the Corporation and the Warrant Agent in their sole discretion, in each case acting reasonably, and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

2.8 REGISTER FOR SPECIAL WARRANTS

The Corporation shall cause to be kept by and at the Warrant Agency which is the principal transfer office of the Warrant Agent in the City of Toronto, Ontario and in such other place or places as the Corporation with the approval of the Warrant Agent may designate, a securities register in which shall be entered the names and addresses of Holders and the other particulars, prescribed by law, of the Special Warrants held by them. The Corporation shall also cause to be kept by and at such office the register of transfers, and may also cause to be kept by the Warrant Agent or such other registrar or registrars and at such other place or places as the Corporation may designate with the approval of the Warrant Agent, branch registers of transfers (including, without limitation, branch registers of transfers at each of the other Warrant Agencies) in which shall be recorded the particulars of the transfers of Special Warrants registered in that branch register of transfers.

2.9 TRANSFER OF SPECIAL WARRANTS

(1) Subject to subsection 2.9(2) and subsections 3.2(4), 3.2(5) and 3.2(6) below and such reasonable requirements as the Warrant Agent may prescribe and all applicable securities legislation and requirements of regulatory authorities, the Special Warrants may be transferred on the register kept at the Warrant Agency by the Holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and manner of execution satisfactory to the Warrant Agent only upon the surrendering of the relevant Special Warrant Certificate with the transfer form forming part thereof duly completed and signed. After receiving the surrendered Special Warrant Certificate(s) and upon the person surrendering the same meeting the requirements set forth above, the Warrant Agent shall issue to the transferee a Special Warrant Certificate representing the Special Warrants transferred.

(2) No transfer of a Special Warrant shall be valid (i) unless made in accordance with the provisions hereof, (ii) until, upon compliance with such reasonable requirements as the Warrant Agent may prescribe, such transfer is recorded on the register maintained by the Warrant Agent pursuant to subsection (1) of this section 2.9, and (iii) until all governmental or other charges arising by reason of such transfer have been paid.

2.10 TRANSFEREE ENTITLED TO REGISTRATION

The transferee of a Special Warrant shall, after the transfer form attached to the Special Warrant Certificate is duly completed and the Special Warrant Certificate and transfer form are lodged with the Warrant Agent, and upon compliance with all other conditions in that regard required by this Indenture and by all applicable securities legislation and requirements of regulatory authorities, be entitled to have his name entered on the register as the owner of such Special Warrant free from all equities or rights of set-off or counterclaim between the Corporation and his transferor or any previous Holder of such Special Warrant, save in respect of equities of which the Corporation or the transferee is required to take notice by statute or by order of a court of competent jurisdiction.

2.11 REGISTERS OPEN FOR INSPECTION

The registers hereinbefore referred to shall be open at all reasonable times and upon reasonable notice for inspection by the Corporation, the Warrant Agent or any Holder. The Warrant Agent shall, from time to time when requested to do so by the Corporation, furnish the Corporation with a list of the names and addresses of Holders of Special Warrants entered in the register kept by the Warrant Agent and showing the number of Common Shares which may then be acquired upon the exercise or deemed exercise of the Special Warrants held by each such Holder.

2.12 OWNERSHIP OF SPECIAL WARRANTS

(1) The Corporation and the Warrant Agent may deem and treat the registered Holder of any Special Warrant Certificate as the absolute owner of the Special Warrant represented thereby for all purposes and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary, except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. For greater certainty, subject to applicable law, neither the Corporation nor the Warrant Agent shall be bound to take notice of or see to the execution of any trust, whether express, implied or constructive, in respect of any Special Warrant, and may transfer any Special Warrant on the direction of the person registered as Holder thereof, whether named as Warrant Agent or otherwise, as though that person were the beneficial owner thereof.

(2) Subject to the provisions of this Indenture and applicable law, each Holder shall be entitled to the rights and privileges attaching to the Special Warrants held thereby. The exercise of the Special Warrants in accordance with the terms hereof and the receipt by any such Holder of Common Shares pursuant thereto shall be a good discharge to the Corporation and the Warrant Agent with respect to such Special Warrants and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such Holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

2.13 EXCHANGE OF SPECIAL WARRANT CERTIFICATES

(1) Special Warrant Certificates, representing Special Warrants entitling the Holders to receive any specified number of Common Shares, may, prior to the Expiry Time and

upon compliance with the reasonable requirements of the Warrant Agent, be exchanged for another Special Warrant Certificate or Special Warrant Certificates entitling the Holder thereof to receive in the aggregate the same number of Common Shares as are issuable under the Special Warrant Certificate or Special Warrant Certificates so exchanged.

(2) Special Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Special Warrant Certificates tendered for exchange shall be surrendered to the Warrant Agent and shall be cancelled.

(3) Except as otherwise herein provided, the Warrant Agent shall charge to the Holder requesting an exchange a reasonable sum for each new Special Warrant Certificate issued in exchange for Special Warrant Certificate(s); and payment of such charges and reimbursement to the Warrant Agent or the Corporation for any and all taxes or governmental or other charges required to be paid shall be made by such Holder as a condition precedent to such exchange.

ARTICLE 3
EXERCISE OR DEEMED EXERCISE OF SPECIAL WARRANTS

3.1 RIGHTS OF EXERCISE OF SPECIAL WARRANTS

Subject to the further provisions hereof, the Special Warrants may be exercised at any time prior to the Expiry Time.

3.2 METHOD OF EXERCISE OF SPECIAL WARRANTS

(1) Subject always to the provisions of this Article 3 and compliance by both the Corporation and the Holder with applicable law, the Holder of any Special Warrant may exercise the right thereby conferred on him to acquire either one Common Share or 1.05 Common Shares (as set out in subsection 2.2(1), and subject to adjustment pursuant to Article 4) in respect of each Special Warrant held without further payment (except as may be required by subsection 3.2(2) by surrendering to the Warrant Agent at the Warrant Agency the Special Warrant Certificate(s) held by him, together with the exercise form forming part of the Special Warrant Certificate (the "**Exercise Form**") duly completed and executed by the Holder or his executors, administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and manner satisfactory to the Warrant Agent, acting reasonably. Other than as set out in subsection 3.2(3), a Special Warrant Certificate with the duly completed and executed Exercise Form shall be deemed to be surrendered only upon personal delivery thereof to or, if sent by mail or other means of transmission, upon actual receipt thereof by, the Warrant Agent at the Warrant Agency.

(2) The Exercise Form shall be executed as set out in subsection 3.2(1) and shall specify:

(a) the number of Common Shares which the Holder wishes to acquire (being not more than that number which he is entitled to acquire pursuant to the Special Warrant Certificate(s) so surrendered); and

(b) the person or persons in whose name or names such Common Shares are to be issued, the address(es) of such person(s) and the number of Common Shares to be issued to each such person if more than one is so specified.

If any of the Common Shares subscribed for are to be issued to a person(s) other than the Holder, the signature set out in the Exercise Form shall be guaranteed by a Canadian chartered bank, a Canadian trust company, medallion guaranteed by a recognized medallion signature guarantee program or in any other manner satisfactory to the Warrant Agent, and the Holder shall pay or cause to be paid to the Corporation or the Warrant Agent all applicable transfer or similar taxes, if any, and the Corporation shall not be required to issue or deliver certificates evidencing the said Common Shares unless or until such Holder shall have paid to the Corporation or the Warrant Agent on behalf of the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid or that no tax is due.

(3) In the event that a Holder has not exercised his Special Warrants in accordance with the provisions hereof, all Special Warrants then held by such Holder shall be deemed to be exercised and surrendered by such Holder without further action on the Holder's part into Common Shares on the earlier of

(a) the fifth Business Day after the date on which the Final Receipt has been issued; and

(b) the Expiry Time.

(4) The certificates representing the Special Warrants (and the Common Shares, if issued before the Expiry Date if such issuance precedes the receipt by the Corporation of the Final Receipt) and all certificates issued in exchange therefor or in substitution thereof prior to the Expiry Date, if such exchange or substitution precedes the receipt by the Corporation of the Final Receipt shall bear the following legend:

> "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE OCTOBER 10, 2006"
>
> "WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE [INSERT ON SPECIAL WARRANTS ONLY: AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THESE SECURITIES] MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL OCTOBER 10, 2006.

(5) (a) The Special Warrants and the Common Shares issuable upon exercise of the Special Warrants have not been registered under the U.S. Securities Act and the Corporation has no current intention to effect such registration. Each Special Warrant Certificate, and each certificate representing the Underlying Securities, originally issued to or for the account or benefit of a U.S. Person or a person in the United States (except if issued to a dealer or other professional fiduciary organized, incorporated or (if an individual) resident in the United States that received the offer to purchase and is purchasing the Special Warrants on behalf of and solely in its capacity as the holder of a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person), and each Special Warrant Certificate, and each certificate representing the Underlying Securities, issued in exchange therefor or in substitution thereof or otherwise issued in exchange for (including upon the exercise or deemed exercise of a Special Warrant Certificate) a Special Warrant Certificate or a certificate representing the Underlying Securities that bears the following legend, shall bear the following additional legend until such time as the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (C) WITHIN THE UNITED STATES IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND THE SELLER HAS FURNISHED TO THE CORPORATION AN OPINION TO SUCH EFFECT FROM COUNSEL OF RECOGNIZED STANDING REASONABLY SATISFACTORY TO THE CORPORATION PRIOR TO SUCH OFFER, SALE OR TRANSFER. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. PROVIDED THAT THE CORPORATION IS A "FOREIGN ISSUER" WITHIN THE MEANING OF REGULATION S AT THE TIME OF SALE, A NEW CERTIFICATE BEARING NO LEGEND MAY BE OBTAINED FROM THE CORPORATION'S [WARRANT AGENT/TRANSFER AGENT] UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE [WARRANT AGENT/TRANSFER AGENT] AND THE CORPORATION TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that if the Special Warrants or Common Shares are being sold outside the United States in accordance with Rule 904 of Regulation S at a time when the Corporation is a "**foreign issuer**" within the meaning of Regulation S at the time of transfer, any such legend may be removed by providing a declaration to the

Corporation and the Warrant Agent (or, if Common Shares, the transfer agent therefor), to the effect set forth in Schedule "B" to this Indenture (or as the Corporation may prescribe from time to time to confirm such transfer is being made in accordance with Regulation S); provided, further, that if any Special Warrants or Common Shares are being sold pursuant to Rule 144 of the U.S. Securities Act, any such legend may be removed by providing to the Corporation and the Warrant Agent (or, if Common Shares, the transfer agent therefor) an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, to the effect that such legend is no longer required under the applicable requirements of the U.S. Securities Act.

(b) If a Special Warrant Certificate bearing the legend set forth in subsection 3.2(5)(a) hereof is tendered for transfer, and the Holder thereof has not obtained the prior written consent of the Corporation, the Warrant Agent shall not register such transfer unless the Holder thereof provides to the Warrant Agent (1) a declaration of the Holder or the Holder's representative to the effect set forth in Schedule "B" to this Indenture (or as the Corporation may prescribe from time to time, to confirm such transfer is being made in accordance with Regulation S) or (2) an opinion of counsel of recognized standing, in each case in form satisfactory to the Corporation, acting reasonably, confirming in reasonable detail that such transfer is permitted under applicable securities laws.

(c) If a Special Warrant Certificate not bearing the legend set forth in subsection 3.2(5)(a) hereof is tendered for transfer, the Warrant Agent shall not register such transfer if it has reason to believe that the transferee is a U.S. Person, is in the United States or is acquiring the Special Warrants evidenced thereby for the account or benefit of a U.S. Person or a person in the United States.

(6) If the principal transfer office of the Warrant Agent in the city where the Warrant Agency is situate is for any reason not available to act in connection with the exchange of Special Warrant Certificates or exercise of Special Warrants as contemplated by this Indenture, the Corporation and the Warrant Agent shall arrange for another office in such city to act in connection with the exchange of Special Warrant Certificates and exercise of Special Warrants and shall give notice of the change of such office to the Holders.

3.3 EFFECT OF EXERCISE OF SPECIAL WARRANTS

(1) If the Special Warrants are duly exercised in accordance with sections 3.1 and 3.2, the Common Shares subscribed for shall be deemed to have been issued and the person or persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of record of such Common Shares on the Exercise Date unless the transfer registers for the Common Shares shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued and such person or persons shall be deemed to have become the holder or holders of record of the same on the date on which such transfer registers are re-opened.

(2) In the case of Special Warrants which are exercised in accordance with the provisions of sections 3.1 and 3.2, except a deemed exercise in accordance with subsection 3.2(3),

within three (3) Business Days after the Exercise Date of such Special Warrants, the Corporation shall cause to be mailed to the person in whose name the Common Shares so subscribed for are to be delivered, as specified in the Exercise Form, at the address specified in such Exercise Form, or, if so specified in such Exercise Form, cause to be held for such person for pick-up at the Warrant Agency, certificates representing the Common Shares to be issued pursuant to such Exercise Form, registered in such name.

(3) In the case of Special Warrants which are deemed to be exercised pursuant to subsection 3.2(3), within three (3) Business Days after the Exercise Date the Corporation shall cause to be mailed to the address of the Holder of the Special Warrants so exercised last appearing on the register of Holders maintained by the Warrant Agent pursuant to section 2.8, certificates representing the Common Shares to be issued pursuant to any such exercise of Special Warrants, registered in the name of such Holder along with a notice of the deemed exercise.

3.4 PARTIAL EXERCISE OF SPECIAL WARRANTS

(1) The Holder of any Special Warrants may exercise his right to acquire Common Shares in part and may thereby acquire a number of Common Shares less than the aggregate number which he is entitled to acquire pursuant to the Special Warrant Certificate(s) surrendered in connection therewith. In the event of any acquisition of a number of Common Shares less than the number which the Holder is entitled to acquire, he shall, upon exercise thereof, be entitled to receive, without charge therefor, a new Special Warrant Certificate(s) representing the balance of the Common Shares which he was entitled to acquire pursuant to the surrendered Special Warrant Certificate(s) and which were not then acquired.

(2) Notwithstanding anything herein contained including any adjustment provided for in Article 4, the Corporation shall not be required, upon the exercise of any Special Warrants, to issue fractions of Common Shares or to distribute certificates which evidence the same. Any fractional Common Shares to which a Holder is entitled shall be aggregated to form whole Common Shares with any remaining fractional Common Shares rounded down to a whole Common Shares.

3.5 CANCELLATION OF SPECIAL WARRANTS

All Special Warrant Certificates surrendered to the Warrant Agent pursuant hereto (including those deemed exercised and surrendered under subsection 3.2(3)) shall be cancelled and, after the expiry of any period of retention prescribed by law, destroyed by the Warrant Agent, and the Warrant Agent shall furnish the Corporation on request with a destruction certificate identifying the Special Warrant Certificates so destroyed and the number of Special Warrants evidenced thereby.

3.6 SPECIAL WARRANTS VOID AFTER THE EXPIRY TIME

No Holder shall have any further rights under this Indenture or the Special Warrant Certificates (other than the right to receive Common Shares in respect of Special Warrants duly exercised or deemed to be exercised prior to or at the Expiry Time, as the case may be), after the Expiry Time and the Special Warrants shall be null and void and of no effect.

3.7 ACCOUNTING AND RECORDING

(1) The Warrant Agent shall promptly account to the Corporation with respect to Special Warrants exercised.

(2) The Warrant Agent shall record the particulars of Special Warrants exercised which shall include the names and addresses of the Persons who become holders of Common Shares on exercise and the Exercise Date. Within three (3) Business Days of each Exercise Date, the Warrant Agent shall provide such particulars in writing to the Corporation.

3.8 SECURITIES RESTRICTIONS

Notwithstanding anything herein contained, Common Shares shall only be issued by the Corporation (upon exercise or deemed exercise of the Special Warrants) in compliance with the securities laws of any applicable jurisdiction, and without limiting the generality of the foregoing, in the event that the Special Warrants are exercised pursuant to sections 3.1 and 3.2 prior to the Expiry Time and prior to the Clearance Date, the certificates representing the Common Shares thereby issued shall bear such legends as may, in the opinion of counsel to the Corporation, be necessary in order to avoid a violation of any securities laws of any jurisdiction or to comply with the requirements of any stock exchange on which the Common Shares are listed, provided that if, at any time, in the opinion of counsel to the Corporation, such legends are no longer necessary in order to avoid a violation of any such laws, or the Holder of any such legended certificate, at the Holder's expense, provides the Corporation with evidence satisfactory in form and substance to the Corporation (which may include an opinion of counsel satisfactory to the Corporation) to the effect that such Holder is entitled to sell or otherwise transfer such Common Shares in a transaction in which such legends are not required such legended certificate may thereafter be surrendered to the Corporation in exchange for a certificate which does not bear such legend.

ARTICLE 4
ADJUSTMENT OF NUMBER OF COMMON SHARES

4.1 ADJUSTMENT UPON COMMON SHARE REORGANIZATION OR CAPITAL REORGANIZATION

The acquisition rights in effect at any date attaching to the Special Warrants shall be subject to adjustment from time to time as follows:

(1) If, at any time prior to the Expiry Time, the Corporation shall:

(a) subdivide, redivide or change its then outstanding Common Shares into a greater number of shares; or

(b) consolidate, reduce or combine its then outstanding Common Shares into a lesser number of shares; or

(c) issue Common Shares or Convertible Securities to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a dividend paid in the ordinary course);

(any such event being herein called a "**Common Share Reorganization**"), then the number of Common Shares that a Holder is entitled to upon exercise shall be adjusted, effective immediately after the effective date or record date at which holders of Common Shares are determined for the purposes of the Common Share Reorganization, by multiplying the number of Common Shares that a holder was entitled to upon exercise of Special Warrants immediately prior to such effective date or record date by a fraction of which:

(a) the numerator shall be the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization, including, without limitation, in the case of a distribution of securities exchangeable for or convertible into Common Shares, the number of Common Shares that would have been outstanding if such securities had been exchanged for or converted into Common Shares on such date; and

(b) the denominator shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization.

(2) To the extent that any adjustment in the number of Common Shares issuable upon exercise of the Special Warrants occurs pursuant to subsection 4.1(1) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Common Shares, the number of Common Shares to which a Holder is entitled on the exercise of his Special Warrants shall be readjusted immediately after the expiration of any relevant exchange or conversion right to the number of Common Shares to which such Holder is entitled on the exercise of his Special Warrants which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiration.

(3) (a) If, at any time prior to the Expiry Time, there occurs:

(i) a reclassification or redesignation of the Common Shares or any other capital reorganization; or

(ii) a consolidation, merger or amalgamation of the Corporation with or into any other corporation which results in the cancellation, reclassification or redesignation of the Common Shares or a change or conversion of the Common Shares into other shares or securities or the transfer of all or substantially all of the assets of the Corporation to another corporation or entity or the Corporation being controlled (within the meaning of the *Income Tax Act* (Canada)) by another corporation or entity;

(any such event being herein called a "**Capital Reorganization**"), then, immediately upon the effective time of such Capital Reorganization and at all times thereafter, a Holder who exercises his right to acquire Common Shares shall be entitled to be issued and receive and shall accept for the same aggregate consideration, upon such exercise, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of his Special Warrants the kind and aggregate number of shares or other securities or property of the

Corporation or of the Corporation or other entity resulting from such Capital Reorganization or any other corporation that a Holder would have been entitled to be issued and receive upon such Capital Reorganization if, immediately prior to the effective time thereof, such Holder had been the registered holder of the number of Common Shares to which he was theretofore entitled upon exercise of his Special Warrants.

(b) If necessary as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this section with respect to the rights and interest thereafter of the Holders to the end that the provisions set forth in this section shall thereafter correspondingly be made applicable as nearly as may reasonably be practicable in relation to any shares or other securities or property thereafter issuable and deliverable upon the exercise of the Special Warrants. Any such adjustment shall be made by and set forth in an agreement supplemental hereto approved by the Board of Directors and by the Holders.

(c) The Corporation shall not complete or facilitate a Capital Reorganization if the effect of such transaction is that:

(i) all or substantially all of the assets of the Corporation become the property of, or are under the control of, or the Corporation is controlled (within the meaning of the *Income Tax Act* (Canada)) by another person (an "**Acquiring Person**"); and

(ii) holders of Common Shares receive any other security in replacement of, or in addition to, or in consideration for their Common Shares;

unless, at or prior to the effective time of such Capital Reorganization, the Acquiring Person agrees to be bound by the terms of this Indenture by executing and delivering such supplemental indenture, warrant or other document as may be satisfactory to the Corporation, acting reasonably.

4.2 ADJUSTMENT UPON RIGHTS OFFERING

(1) (a) If and whenever at any time from the date hereof and prior to the Expiry Time, the Corporation fixes a record date for the issuance of rights, options or warrants to all or substantially all the holders of Common Shares pursuant to which those holders are entitled to subscribe for, purchase or otherwise acquire Common Shares or Convertible Securities within a period of not more than 45 days from such record date at a price per share, or at a conversion price per share, of less than 95% of the Current Market Price on such record date (any such issuance being herein called a "**Rights Offering**" and the Common Shares that may be acquired in exercise of the Rights Offering, or upon conversion of the Convertible Securities offered by the Rights Offering, being herein called the "**Offered Shares**"), the number of Common Shares issuable upon exercise of a Special Warrant shall be adjusted effective immediately after the applicable record date to a number that is the product of (1) the number of Common Shares issuable

upon the exercise of a Special Warrant in effect on the record date and (2) a fraction:

(i) the numerator of which shall be the sum of (a) the number of Common Shares outstanding on the record date plus (b) the number of Offered Shares offered pursuant to the Rights Offering or the maximum number of Offered Shares into which the Convertible Securities so offered pursuant to the Rights Offering may be converted, as the case may be; and

(ii) the denominator of which shall be the sum of:

(A) the number of Common Shares outstanding on the record date; and

(B) the number arrived at when (I) either the product of (a) the number of Offered Shares so offered and (b) the price at which those shares are offered, or the product of (c) the conversion price thereof and (d) the maximum number of Offered Shares for or into which the Convertible Securities so offered pursuant to the Rights Offering may be converted, as the case may be, is divided by (II) the Current Market Price of the Common Shares on the record date.

(b) Any Offered Shares owned by or held for the account of the Corporation or a Subsidiary shall be deemed not to be outstanding for the purpose of any such computation; if all the rights, options or warrants are not so issued or if all rights, options or warrants are not exercised prior to the expiration thereof, the number of Common Shares issuable upon exercise of a Special Warrant shall be readjusted to number in effect immediately prior to the record date, and such number shall be further adjusted based upon the number of Offered Shares (or Convertible Securities that are convertible into Offered Shares) actually delivered upon the exercise of the rights, options or warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any event arising after that record date.

(2) (a) If and whenever at any time from the date hereof and prior to the Expiry Time, the Corporation issues or distributes to all or substantially all the holders of Common Shares, (i) shares of any class other than Common Shares, or (ii) rights, options or warrants other than rights, options or warrants exercisable within forty-five (45) days from the date of issue thereof at a price, or at a conversion price, of at least 95% of the Current Market Price at the record date for such distribution, or (iii) evidences of indebtedness, or (iv) any other cash, securities or other property or assets and that issuance or distribution does not constitute a dividend paid in the ordinary course or is not adjusted pursuant to subsection 4.1(2) or a Rights Offering (any of those non-excluded events being herein called a "**Special Distribution**"), the number of Common Shares issuable upon exercise of a Special Warrant shall be adjusted effective immediately after the record date at which the Holders of Common Shares are determined for purposes of the

Special Distribution to a number that is the product of (1) the number of Common Shares issuable upon exercise of a Special Warrant in effect on the record date and (2) a fraction:

(i) the numerator of which shall be the product of (I) the sum of the number of Common Shares outstanding on the record date plus the number of Common Shares which the Holders would be entitled to receive upon exercise of all their outstanding Special Warrants if they were exercised on the record date and (II) the Current Market Price thereof on that date; and

(ii) the denominator of which shall be:

(A) the product of (I) the sum of the number of Common Shares outstanding on the record date plus the number of Shares which the Holders would be entitled to receive upon exercise of all their outstanding Special Warrants if they were exercised on the record date and (II) the Current Market Price thereof on the earlier of such record date and the date on which the Corporation announces its intention to make such Special Distribution;

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(B) the aggregate fair market value, as determined by the board, whose determination shall be conclusive, absent manifest error, of the shares, rights, options, warrants, evidences of indebtedness or other assets issued or distributed in the Special Distribution.

(b) Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; to the extent that the distribution of shares, rights, options, warrants, evidences of indebtedness or assets is not so made or to the extent that any rights, options or warrants so distributed are not exercised, the number of Common Shares issuable upon exercise of a Special Warrant shall be readjusted to the number that would then be in effect based upon shares, rights, options, warrants, evidences of indebtedness or assets actually distributed or based upon the number of Common Shares or Convertible Securities actually delivered upon the exercise of the rights, options or warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any event arising after the record date.

4.3 ENTITLEMENT TO SHARES AND OTHER SECURITIES ON EXERCISE OF SPECIAL WARRANTS

All shares of any class or other securities which a Holder is at the time in question entitled to receive on the exercise of his Special Warrants, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be shares or other securities which such Holder is entitled to acquire pursuant to such Special Warrants.

4.4 NO ADJUSTMENT FOR STOCK OPTIONS, ETC.

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Special Warrants if the issue of Common Shares, rights, options, warrants or securities exchangeable or convertible into Common Shares, is being made pursuant to this Indenture or pursuant to any stock option or stock purchase plan in force from time to time for directors, officers or employees of the Corporation, or being made to satisfy existing instruments issued and outstanding as of the date of this Indenture.

4.5 DETERMINATION BY CORPORATION'S AUDITORS

In the event of any question arising with respect to the adjustments provided for in this Article 4, such question shall be conclusively determined by the Corporation's Auditors or if they are unwilling or unable to act, by such other firm of independent accountants as may be selected by the Directors, and they shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all Holders and all other persons interested therein.

4.6 PROCEEDINGS PRIOR TO ANY ACTION REQUIRING ADJUSTMENT

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Special Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any corporate action which may, in the opinion of Counsel, be necessary in order that the Corporation has sufficient authorized capital and that the Corporation may validly and legally issue as fully-paid and non-assessable all the shares, warrants and other securities which the holders of such Special Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

4.7 ACTION REQUIRING ADJUSTMENT

In case the Corporation, after the date hereof, shall take any action affecting the Common Shares, other than the actions described in this Article 4 which, in the opinion of the Directors or the Warrant Agent would materially affect the rights of the Holders and/or the acquisition rights of the Holders, then that number of Common Shares which are to be received upon the exercise of the Special Warrants shall be adjusted in such manner, if any, and at such time, by action of the Directors, in their discretion as they may reasonably determine to be equitable to the Holders in such circumstances, subject to the prior consent of the TSXV or any other exchange on which the Corporation's securities are then listed.

4.8 CERTIFICATE OF ADJUSTMENT

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Article 4, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

4.9 NOTICE OF SPECIAL MATTERS

The Corporation covenants with the Warrant Agent that, so long as any Special Warrant remains outstanding, it shall send notice to the Warrant Agent and to the Holders in accordance with Article 10 of any intention to fix a record date that is prior to the Expiry Time for the issuance of rights, options or warrants (other than the Special Warrants) to all or substantially all the holders of its outstanding Common Shares. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be sent in each case not less than 14 days prior to such applicable record date.

4.10 NO ACTION AFTER NOTICE

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which might deprive the Holder of a Special Warrant of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the notices set forth in section 4.9.

4.11 PROTECTION OF WARRANT AGENT

Except as provided in section 11.9, the Warrant Agent:

(1) shall not at any time be under any duty or responsibility to any Holder to determine whether any facts exist which may require any adjustment contemplated by Article 4, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(2) shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or any shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Special Warrant;

(3) shall not be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Special Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article 4; and

(4) shall not incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

4.12 ADJUSTMENTS CUMULATIVE

The adjustments provided in this Article 4 shall be cumulative and such adjustments shall be made successively whenever an event referred to herein shall occur.

ARTICLE 5
PURCHASES BY THE CORPORATION

5.1 OPTIONAL PURCHASE BY THE CORPORATION

Subject to compliance with securities legislation and approval of applicable regulatory authorities, the Corporation may from time to time purchase on any stock exchange, in the open market, by private contract or otherwise any of the Special Warrants. Any such purchase shall be made at the lowest price or prices at which such Special Warrants are then obtainable (and agreed by the sellers of such Special Warrants), plus reasonable costs of purchase, and may be made in such manner, from such Persons, and on such other terms as the Corporation and the sellers of such Special Warrants may agree. The Special Warrant Certificates representing Special Warrants purchased pursuant to this section 5.1 shall forthwith be delivered to and cancelled by the Warrant Agent. No Special Warrants shall be issued in replacement thereof.

ARTICLE 6
COVENANTS OF THE CORPORATION

6.1 ISSUANCE OF COMMON SHARES

The Special Warrants, when issued and countersigned as herein provided, shall be valid and enforceable against the Corporation and, subject to the provisions of this Indenture, the Corporation shall cause the Common Shares to be acquired pursuant to the exercise of Special Warrants under this Indenture and the certificates representing such Common Shares to be duly issued and delivered in accordance with the Special Warrant Certificates and the terms hereof. At all times prior to the Expiry Date, while any of the Special Warrants are outstanding, the Corporation shall reserve and there shall be conditionally allotted but unissued out of its authorized capital that number of Common Shares sufficient to enable the Corporation to meet its obligations hereunder. All Common Shares issued pursuant to the exercise or deemed exercise of the Special Warrants shall be issued as fully paid and non-assessable. The Corporation shall make all requisite filings, and pay all applicable fees, under applicable Securities Laws to report the exercise or deemed exercise of the Special Warrants.

6.2 NO AMENDMENT TO COMMON SHARES

So long as any Special Warrants are outstanding, the Corporation shall not amend the attributes of the Common Shares unless consented to by the Holders by Extraordinary Resolution.

6.3 PREPARATION OF PROSPECTUS

The Corporation shall use its best efforts to:

(1) file in each of the provinces of Canada a preliminary prospectus qualifying the issuance and distribution of the Common Shares issuable on the exercise or deemed exercise of the Special Warrants;

(2) resolve all comments received or deficiencies raised by the various securities regulatory authorities as expeditiously as possible; and

(3) file and obtain the Final Receipt qualifying the issuance and distribution of the Common Shares issuable on the exercise or deemed exercise of the Special Warrants as soon as possible after such regulatory comments and deficiencies have been resolved and in no event later than the Qualification Deadline, and will, in the event the Final Receipt has not been obtained prior to the Qualification Deadline, continue to use its best efforts to obtain the Final Receipt thereafter.

6.4 NOTICE OF FINAL RECEIPT

Upon obtaining the Final Receipt, the Corporation shall, as soon as practicable, but in any event no later than three (3) Business Days after obtaining the Final Receipt:

(1) give notice to the Warrant Agent by facsimile or courier to the address of the Warrant Agent set out in Article 10 of the obtainment of the Final Receipt, and the Corporation shall send to the Warrant Agent a copy of the Prospectus together with copies of the Final Receipt in respect thereof that have been issued by the applicable securities commissions; and

(2) cause the Warrant Agent to send a commercial copy of the Prospectus to each Holder in accordance with Section 10.2 hereof.

6.5 TO PAY WARRANT AGENT REMUNERATION AND EXPENSES

The Corporation covenants that it shall pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and shall pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed, except any such expenses, disbursement or advance as may arise out of or result from the Warrant Agent's gross negligence, wilful misconduct or bad faith. The Warrant Agent shall not have any recourse against the securities or any other property held by it pursuant to this Indenture for payment of its fees.

6.6 TO PERFORM COVENANTS

The Corporation shall perform and carry out all of the acts or things to be done by it as provided in this Indenture.

6.7 WARRANT AGENT MAY PERFORM COVENANTS

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Warrant Agent may notify the Holders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it but, subject to Article 11, shall be under no obligation to perform said covenants or to notify the Holders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 6.5. No such performance, expenditure or advance by the

Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

6.8 CERTIFICATES OF NO DEFAULT

At any time if requested by the Warrant Agent, the Corporation shall deliver to the Warrant Agent an Officers' Certificate stating that the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture. In the event that the Corporation has not complied with all the covenants and conditions contained herein, it will advise the Warrant Agent and the Holder of such default as soon as reasonably practicable, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance.

6.9 REPORTING ISSUER STATUS

The Corporation shall use its commercially reasonable best efforts to maintain its "reporting issuer" or equivalent status in each of the Qualifying Jurisdictions for a period of one (1) year from the Closing Date.

6.10 FOREIGN ISSUER STATUS

The Corporation will use its commercially reasonable best efforts to remain a "foreign issuer" for the purposes of Regulation S for a period of two (2) year from the Closing Date.

6.11 SOLICITATION OF SPECIAL WARRANT EXERCISE

The Corporation agrees not to pay any commission or other remuneration directly or indirectly for soliciting the exercise of Special Warrants.

6.12 CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

The Corporation covenants with the Warrant Agent to provide a right of rescission to each Holder as hereinafter set forth, which right shall be exercisable either by the Warrant Agent on behalf of a Holder or by a Holder directly:

> The Corporation has agreed that in the event that a holder of a Special Warrant who acquires a Common Share upon the exercise of such Special Warrant as provided for in the Prospectus is or becomes entitled under the Securities Laws (as defined in this Indenture) to the remedy of rescission by reason of the Prospectus or any amendment thereto containing a misrepresentation, such holder shall be entitled to rescission not only of the holder's exercise of its Special Warrants, but also of the private placement transaction pursuant to which the Special Warrants were initially acquired and shall be entitled in connection with such rescission to a full refund from the Corporation of the amount of the purchase price paid to the Corporation in respect of the Special Warrants. In the event such holder is a permitted or lawful assignee of the interest of the original Special Warrant subscriber, such assignee shall be entitled to exercise such rights of rescission and refund as if such permitted assignee were such original subscriber. The provisions of this section are a direct contractual right extended by the Corporation (but specifically not by the Underwriters or the directors,

officers or other agent of the Corporation) to holders of Special Warrants (including the Underwriters), assignees (in respect of whom such rights are hereby granted to, and received by, the Underwriters in trust for assignees) of such holders and holders of Underlying Securities acquired by such holders on exercise of Special Warrants and are in addition to any other right or remedy available to a holder of Special Warrants under section 130 of the *Securities Act* (Ontario) or otherwise at law. The foregoing contractual rights of action for rescission shall be subject to the defence described under section 130(2) of the *Securities Act* (Ontario) which is incorporated herein by reference, *mutatis mutandis*.

ARTICLE 7
ENFORCEMENT

7.1 SUITS BY HOLDERS OF SPECIAL WARRANTS

Subject to section 9.11, all or any of the rights conferred upon any Holder by any of the terms of the Special Warrant Certificates or this Indenture may be enforced by the Holder by appropriate legal proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Holders.

7.2 WAIVER OF DEFAULT

Upon the happening of any default hereunder:

(1) the Holders of not less than 51% of the Special Warrants then outstanding shall have the power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or

(2) the Warrant Agent shall have the power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, if, in the Warrant Agent's opinion, the same shall have been cured or adequate provision made therefor;

provided that no delay or omission of the Warrant Agent or of the Holders, as applicable, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or the Holders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder or the rights resulting therefrom.

ARTICLE 8
SUCCESSOR CORPORATIONS

8.1 CERTAIN REQUIREMENTS

Prior to the exercise or deemed exercise of the Special Warrants, the Corporation shall not, directly or indirectly, sell, transfer or otherwise dispose of all or substantially all of its property and assets as an entirety to any other corporation and shall not amalgamate (except with a wholly-owned Subsidiary) or merge with or into any other corporation (any such other corporation being herein referred to as a "**Successor Corporation**") unless:

(1) the Successor Corporation executes, before or contemporaneously with the consummation of any such transaction, an indenture supplemental hereto together with such other instruments as are satisfactory to the Warrant Agent and in the opinion of Counsel are necessary or advisable to evidence the assumption by the Successor Corporation of the due and punctual observance and performance of all the covenants and obligations of the Corporation under this Indenture; and

(2) such transaction shall be to the satisfaction of the Warrant Agent, acting reasonably, and in the opinion of Counsel, be upon such terms so as to substantially preserve and not impair in any material respect the rights and powers of the Warrant Agent or of the Holders hereunder.

8.2 VESTING OF POWERS IN SUCCESSOR

Whenever the conditions of section 8.1 have been duly observed and performed, the Successor Corporation shall possess and from time to time may exercise each and every right and power of the Corporation under this Indenture in the name of the Corporation or otherwise and any act or proceeding by any provision of this Indenture required to be done or performed by any Directors or officers of the Corporation may be done and performed with like force and effect by the Directors or officers of such Successor Corporation.

ARTICLE 9
MEETINGS OF HOLDERS OF SPECIAL WARRANTS

9.1 RIGHT TO CONVENE MEETING

The Warrant Agent may at any time and from time to time and shall on receipt of a written request of the Corporation or a Holders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Holders signing such request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Holders. In the event of the Warrant Agent failing, within seven (7) days after receipt of any such request and such indemnity and funding, to give notice convening a meeting, the Corporation or such Holders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Toronto, Ontario, or at such other place as may be approved or determined by the Warrant Agent.

9.2 NOTICE OF MEETINGS

At least 21 days' notice of any meeting of the Holders shall be given to the Holders in the manner provided in Article 10 and a copy thereof must be sent to the Warrant Agent unless the meeting has been called by it and to the Corporation unless the meeting has been called by it. Such notice must state the time when and the place where the meeting is to be held and state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article.

9.3 CHAIRMAN

An individual (who need not be a Holder) designated in writing by the Warrant Agent, shall be the chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within 15 minutes from the time fixed for the holding of the meeting, the Holders present in person or by proxy shall choose an individual present to be chairman.

9.4 QUORUM

Subject to section 9.12, at any meeting of the Holders a quorum shall consist of Holders present in person or by proxy and representing at least 20% of the aggregate number of the then outstanding Special Warrants, provided that at least two Persons entitled to vote thereat are personally present or represented by proxy. If a quorum is not present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Holders or pursuant to a Holders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting the Holders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent at least 20% of the then outstanding Special Warrants.

9.5 POWER TO ADJOURN

The chairman of any meeting at which a quorum is present may with the consent of the meeting adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

9.6 SHOW OF HANDS

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

9.7 POLL

On every Extraordinary Resolution, and on any other question submitted to a meeting when demanded by the chairman or by one or more Holders and/or proxies for Holders, a poll must be taken in such manner and either at once or after an adjournment, as the chairman directs. Questions other than Extraordinary Resolutions shall, if a poll is taken, be decided by a majority of the votes cast on the poll.

9.8 VOTING

On a show of hands, every Person who is present and entitled to vote, whether as a Holder or as proxy for one or more Holders or both, shall have one vote. On a poll, each Holder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each Special Warrant or Special Warrants held or represented by that Person. A proxy need not be a Holder. In the case of joint Holders of a Special Warrant, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them is present in person or by proxy, they must vote together in respect of the Special Warrants of which they are joint Holders. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of any Special Warrants held or represented by him, but shall not have a second or deciding vote.

9.9 REGULATIONS

(1) The Warrant Agent or the Corporation with the approval of the Warrant Agent, may from time to time make or vary or restate such regulations as it shall from time to time think fit regarding the following:

(a) providing for and governing the voting by proxy by Holders and the form of instrument appointing proxies and the manner in which the same shall be executed, and for the production of the authority of any Person signing on behalf of the giver of such proxy;

(b) for the deposit of instruments appointing proxies at such place as the Warrant Agent, the Corporation or the Holders convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited;

(c) for the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, telecopied or sent by facsimile before the meeting to the Corporation or to the Warrant Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting; and

(d) generally, the calling of meetings of Holders and the conduct of business thereat.

(2) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Except as such regulations

may provide, the only Persons who shall be recognized at any meeting as Holders, or as entitled to vote or be present at the meeting in respect thereof (subject to section 9.10), shall be Holders and Persons whom Holders have by instrument in writing duly appointed as their proxies.

9.10 CORPORATION AND WARRANT AGENT MAY BE REPRESENTED

The Corporation and the Warrant Agent, by their respective officers or directors, and the legal advisers of the Corporation and the Warrant Agent, may attend any meeting of the Holders, and shall be recognized and given reasonable opportunity to speak to any resolutions proposed for consideration by the meeting, but shall not be entitled to vote thereat, whether in respect of any Special Warrants held by them or otherwise.

9.11 POWERS EXERCISABLE BY EXTRAORDINARY RESOLUTION

Subject to applicable law and the rules and regulations of any stock exchange having jurisdiction, in addition to the powers conferred upon them by any other provisions of this Indenture or by law, the Holders at a meeting shall have the power, exercisable from time to time by Extraordinary Resolution:

(1) to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Holders and/or the Warrant Agent against the Corporation, or against its property, whether such rights arise under this Indenture or the Special Warrant Certificates or otherwise;

(2) to assent to any modification of or change in or addition to or omission from the provisions contained in this Indenture or in the Special Warrant Certificates which must be agreed to by the Corporation and to authorize the Warrant Agent to concur in and execute any indenture supplemental hereto embodying any such modification, change, addition or omission;

(3) to sanction any scheme for the reconstruction or reorganization of the Corporation or for the consolidation, amalgamation or merger of the Corporation with any other corporation or for the sale, leasing, transfer or other disposition of the undertaking, property and assets of the Corporation or any part thereof, provided that no such sanction shall be necessary in respect of any such transaction if section 8.1 has been complied with;

(4) to direct or authorize the Warrant Agent to exercise any power, right, remedy or authority given to it by this Indenture in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;

(5) to waive and direct the Warrant Agent to waive any default of the Corporation hereunder either unconditionally or upon any condition specified in such Extraordinary Resolution;

(6) to restrain any Holder from taking or instituting any suit, action or proceeding for the purpose of enforcing any of the covenants of the Corporation contained in this

Indenture or the Special Warrant Certificates, or for the execution of any trust or power hereunder;

(7) to direct any Holder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Holder in connection therewith; and

(8) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Holders.

9.12 MEANING OF "EXTRAORDINARY RESOLUTION"

(1) The expression "**Extraordinary Resolution**" when used in this Indenture means, subject as provided in this Article, a resolution proposed to be passed at a meeting of Holders duly convened and held in accordance with the provisions of this Article at which there are Holders present in person or by proxy who represent at least 20% of the aggregate number of the then outstanding Special Warrants and passed by the affirmative votes of the Holders representing at least 66 2/3% of the then outstanding Special Warrants represented at the meeting and voted on a poll upon such resolution.

(2) If, at any such meeting, the Holders representing at least 20% of the then outstanding Special Warrants are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of the Holders, shall be dissolved; but in any other case it shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than seven days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided in Article 10. Such notice must state that at the adjourned meeting the Holders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting, the Holders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in subsection 9.12(1) shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that Holders representing at least 20% of the then outstanding Special Warrants are not present in person or by proxy at such adjourned meeting.

(3) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

9.13 POWERS CUMULATIVE

It is hereby declared and agreed that any one or more of the powers and/or any combination of the powers in this Indenture stated to be exercisable by the Holders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the rights of the Holders to exercise the same or any other such power or combination of powers thereafter from time to time.

9.14 MINUTES

Minutes of all resolutions and proceedings at every meeting of Holders shall be made and duly entered in books to be from time to time provided for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or secretary of the meeting at which such resolutions were passed or proceedings had, or by the chairman or secretary of the next succeeding meeting (if any) of the Holders, shall be *prima facie* evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat, to have been duly passed and taken.

9.15 INSTRUMENTS IN WRITING

All actions which may be taken and all powers which may be exercised by the Holders at a meeting held as hereinbefore provided in this Article provided may also be taken and exercised by Holders representing at least 66 2/3% of the then outstanding Special Warrants by an instrument in writing signed in one or more counterparts and the expression "**Extraordinary Resolution**" when used in this Indenture shall include an instrument so signed.

9.16 BINDING EFFECT OF RESOLUTIONS

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article at a meeting of Holders shall be binding upon all Holders, whether present at or absent from such meeting, and every instrument in writing signed by Holders in accordance with section 9.15 shall be binding upon all the Holders of Special Warrants, whether signatories thereto or not, and each and every Holder and the Warrant Agent (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

ARTICLE 10
NOTICES

10.1 NOTICE TO THE CORPORATION AND THE WARRANT AGENT

(1) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered or if sent by registered letter, postage prepaid, or by facsimile transmission:

if to the Corporation:

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 Scotial Plaza
40 King Street West
Toronto, Ontario M5H 3C2

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

if to the Warrant Agent:

Equity Transfer Services Inc.
120 Adelaide Street West, Suite 420
Toronto, Ontario M5H 4L3

Attention: President
Fax: (416) 361-0470

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery or if sent by facsimile transmission, on the first Business Day following such transmission or, if mailed, on the fifth Business Day following the date of the postmark on such notice.

(2) The Corporation or the Warrant Agent, as the case may be, may from time to time notify the others in the manner provided in subsection 10.1(1) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

10.2 NOTICE TO HOLDERS OF SPECIAL WARRANTS

Except as herein otherwise expressly provided and subject to section 10.3, any notice required or permitted to be given to Holders under the provisions of this Indenture shall be deemed to be validly given if personally delivered or if sent by ordinary post to the Holders at their addresses appearing in one of the registers hereinbefore mentioned. Any notice so sent shall be deemed to have been received on the next Business Day after the date of delivery to such address or, if mailed, on the fifth Business Day following the date on which it was mailed. Accidental error or omission in giving notice or accidental failure to give notice to Holders shall not invalidate any action or proceeding founded thereon. In determining under any provision hereof the date when notice of any meeting or other event must be given, the date of giving notice shall be included and the date of the meeting or other event shall be excluded.

10.3 MAIL SERVICE INFORMATION

(1) If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Holders, the Warrant Agent or the Corporation would be unlikely to reach

its destination in the ordinary course of mail, such notice shall be valid and effective only if the notice is:

(a) in the case of the Warrant Agent or the Corporation, delivered to an officer of the party to which it is addressed or if sent to such party, at the appropriate address in accordance with section 10.1 by facsimile or other means of prepaid transmitted or recorded communication; and

(b) in the case of Holders, published once (i) in the national edition of The Globe & Mail; and (ii) in such other place or places and manner, if any, as the Warrant Agent may require.

(2) Any notice given to the Holders by publication shall be deemed to have been given on the last day on which publication shall have been effected as required pursuant to subsection 10.3(1).

ARTICLE 11
CONCERNING THE WARRANT AGENT

11.1 TRUST INDENTURE LEGISLATION

(1) The expression "**Indenture Legislation**" means the provisions, if any, of the *Business Corporations Act* (Ontario) and any other statute of Canada or any province thereof, and of any regulations under any such statute, relating to trust indentures and to the rights, duties and obligations of Warrant Agents under trust indentures and of corporations under trust indentures, to the extent that such provisions may at the time be in force and applicable to this Indenture or the Corporation.

(2) The Corporation and the Warrant Agent agree that each shall at all times in relation to this Indenture and in relation to any action to be taken hereunder observe and comply with and be entitled to the benefits of Indenture Legislation.

(3) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with any mandatory requirement of Indenture Legislation, such mandatory requirement shall prevail.

11.2 NO CONFLICT OF INTEREST

The Warrant Agent represents to the Corporation that at the date of the execution and delivery of this Indenture there exists no material conflict of interest in the Warrant Agent's role hereunder. In the event of a material conflict of interest arising in the Warrant Agent's role hereunder the Warrant Agent shall, as soon as practicable but in any case within 20 days after ascertaining that it has such material conflict of interest, either eliminate the same or resign as the Warrant Agent hereunder to a successor warrant agent approved by the Corporation. Notwithstanding the foregoing provisions of this section, if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Special Warrant Certificate(s) shall not be affected in any manner whatsoever by reason hereof.

11.3 REPLACEMENT OF WARRANT AGENT

(1) The Warrant Agent may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Corporation at least 45 days' notice in writing or such shorter notice as the Corporation may accept as sufficient. The Holders by Extraordinary Resolution shall have the power at any time to remove the existing Warrant Agent and to appoint a new warrant agent. If the Warrant Agent resigns or is removed by Extraordinary Resolution or is dissolved, becomes bankrupt, goes into liquidation or otherwise becomes incapable of acting hereunder, the Corporation shall forthwith appoint a new warrant agent unless a new warrant agent has already been appointed by the Holders; failing such appointment by the Corporation, the retiring Warrant Agent or any Holder may apply to a judge of a court having jurisdiction, on such notice as such Judge may direct, for the appointment of a new warrant agent; but any new warrant agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Holders. Any new warrant agent appointed under any provision of this section must be a corporation authorized to carry on the business of a trust company in the Province of Ontario and, if required by the applicable trust indenture legislation of any other province, in that other province, and must be a corporation which is independent of the Corporation and has no material conflict of interest. On any new appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent.

(2) Any corporation into which the Warrant Agent may be merged or with which it may be consolidated or amalgamated or any corporation resulting from any merger, consolidation or amalgamation to which the Warrant Agent shall be a party or any corporation succeeding to the business of the Warrant Agent, shall be the successor warrant agent under this Indenture without the execution of any instrument or any further act.

11.4 EVIDENCE, EXPERTS AND ADVISERS

(1) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Indenture Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.

(2) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to any provision hereof or any Indenture Legislation or pursuant to a request of the Warrant Agent, not only as to its due execution and the validity and effectiveness of its provisions, but also to the truth and acceptability of any information therein contained which the Warrant Agent in good faith believes to be genuine.

(3) Proof of the execution of an instrument in writing, including a Holders' Request, by any Holder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to it the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Warrant Agent may consider adequate.

(4) The Warrant Agent may, at the expense of the Corporation, employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent.

11.5 WARRANT AGENT MAY DEAL IN SECURITIES

Subject to section 11.2, the Warrant Agent may buy, sell, lend upon and deal in securities of the Corporation and generally contract and enter into financial transactions with the Corporation or otherwise, without being liable to account for any profits made thereby.

11.6 WARRANT AGENT NOT ORDINARILY BOUND

Except as otherwise specifically provided herein, the Warrant Agent shall not, subject to the provisions of Indenture Legislation, be bound to give notice to any Person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Corporation of any of the obligations herein imposed upon the Corporation or of the covenants on the part of the Corporation herein contained.

11.7 WARRANT AGENT NOT REQUIRED TO GIVE SECURITY

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

11.8 WARRANT AGENT NOT REQUIRED TO GIVE NOTICE OF DEFAULT

The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required to do so under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

11.9 ACCEPTANCE OF APPOINTMENT

The Warrant Agent hereby agrees to act as the warrant agent as declared and provided for in this Indenture and agrees to perform the same upon the terms and conditions herein set forth for the various Persons who shall from time to time be Holders, subject to all the terms and conditions herein set forth.

11.10 DUTIES OF WARRANT AGENT

The Warrant Agent, in exercising its powers and discharging its duties hereunder, shall:

(1) act honestly and in good faith with a view to the best interests of the Holders; and

(2) exercise the care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances.

11.11 ACTIONS BY WARRANT AGENT

(1) Subject only to section 11.9, the obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Holders hereunder shall be conditional upon the Holders delivering to the Warrant Agent:

(a) a Holder's Request or Extraordinary Resolution directing the Warrant Agent to take such act, action, or proceeding;

(b) sufficient funds to commence or continue such act, action or proceeding; and

(c) an indemnity reasonably satisfactory to the Warrant Agent to protect and hold harmless the Warrant Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damages it may suffer by reason thereof.

(2) None of the provisions contained in this Indenture shall require the Warrant Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.

(3) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Holders, at whose instance it is acting, to deposit with the Warrant Agent the Special Warrants held by them, for which Special Warrants the Warrant Agent shall issue receipts.

11.12 PROTECTION OF WARRANT AGENT

By way of supplement to the provisions of any law for the time being relating to warrant agents it is expressly declared and agreed as follows:

(1) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Special Warrant Certificates (except the representation contained in section 11.2 or in the certificate of the Warrant Agent on the Special Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

(2) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto; and

(3) the Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof.

11.13 INDEMNIFICATION OF THE WARRANT AGENT

The Warrant Agent shall at all times be indemnified and saved harmless by the Corporation from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages and liabilities whatsoever arising in connection with this Indenture, including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Warrant Agent contemplated hereby, legal fees and disbursements on a solicitor and client basis and costs and expenses incurred in connection with the enforcement of this indemnity, which the Warrant Agent may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Warrant Agent. The foregoing provisions of this section do not apply to the extent that in any circumstances there has been acts of gross negligence or wilful misconduct by the Warrant Agent. This indemnity shall survive the termination or discharge of this Indenture and the resignation or removal of the Warrant Agent.

11.14 THIRD PARTY INTERESTS

Each party to this Indenture hereby represents to the Warrant Agent that any account to be opened by, or interest to held by the Warrant Agent in connection with this Indenture, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.

11.15 NOT BOUND TO ACT

The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days written notice to the Corporation, provided (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such ten (10) day period, then such resignation shall not be effective.

11.16 PRIVACY LAWS

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation shall, prior to transferring or causing to be transferred personal information to the Warrant Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Warrant Agent shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Warrant Agent agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from the Corporation or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

ARTICLE 12
SUPPLEMENTAL INDENTURES

12.1 SUPPLEMENTAL INDENTURES

(1) From time to time the Warrant Agent and, when authorized by a resolution of its Directors, the Corporation may, subject to the provisions hereof, and they shall, when required by this Indenture, execute, acknowledge and deliver, by their proper officers, deeds or indentures supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:

(a) adding to the covenants of the Corporation herein contained for the protection of the Holders in addition to those herein specified;

(b) making such provision not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder provided that the Warrant Agent shall be of the opinion, relying on the advice of Counsel, that such provisions shall not be prejudicial to the interests of the Holders;

(c) adding to or altering the provisions hereof in respect of the transfer of Special Warrants, making provision for the exchange of Special Warrant Certificates and making any modification in the form of the Special Warrant Certificate which does not affect the substance thereof;

(d) evidencing the succession, or successive successions, of other corporations to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;

(e) giving effect to any Extraordinary Resolution passed as provided in Article 9;

(f) setting forth adjustments in the application of the provisions of Article 4; and

(g) for any other purpose not inconsistent with the terms of this Indenture.

(2) The Warrant Agent may also, without the consent or concurrence of the Holders, by supplemental Indenture or otherwise, concur with the Corporation in making any changes or corrections in this Indenture which it has been advised by Counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or clerical omission or mistake or manifest error contained herein or in any deed or indenture supplemental or ancillary hereto, provided that in the opinion of the Warrant Agent the rights of the Warrant Agent and of the Holders are in no way prejudiced thereby.

ARTICLE 13
GENERAL PROVISIONS

13.1 EXECUTION

This Indenture may be simultaneously executed in several counterparts, and may be executed by facsimile or other means of electronic communication producing a printed copy, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

13.2 FORMAL DATE

This Indenture may be referred to as bearing the formal date June 9, 2006 irrespective of the actual date of execution hereof.

13.3 SATISFACTION AND DISCHARGE OF INDENTURE

Upon the earlier of:

(1) the date by which there shall have been delivered to the Warrant Agent for exercise or destruction all Special Warrant Certificates theretofore certified hereunder; or

(2) the Expiry Time;

and if all certificates representing Common Shares, if any, required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions, this Indenture shall cease to be of any force and effect and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the

Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

13.4 PROVISIONS OF INDENTURE AND SPECIAL WARRANTS FOR THE SOLE BENEFIT OF PARTIES AND HOLDERS

Nothing in this Indenture or in the Special Warrant Certificates, expressed or implied, shall give or be construed to give to any person other than the parties thereto and the Holders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Holders.

IN WITNESS WHEREOF the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

CONSOLIDATED THOMPSON-LUNDMARK GOLD MINES LIMITED

Per: ″Deborah Battiston″
Authorized Signing Officer

EQUITY TRANSFER SERVICES INC.

Per: “Carol Mikos”
Authorized Signing Officer

Per: “Beau Cairns”
Authorized Signing Officer

SCHEDULE "A"
to the Special Warrant Indenture between Consolidated Thompson-Lundmark
Gold Mines Limited and Equity Transfer Services Inc.
dated as of June 9, 2006

FORM OF SPECIAL WARRANT CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY SHALL NOT TRADE THE SECURITY BEFORE OCTOBER 10, 2006.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE [INSERT ON SPECIAL WARRANTS ONLY: AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THESE SECURITIES] MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL OCTOBER 10, 2006.

[The following legend is to be applied in addition to the foregoing legend to the extent required by subsection 3.2(5) of the Special Warrant Indenture (as hereinafter defined)].

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (C) WITHIN THE UNITED STATES IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND THE SELLER HAS FURNISHED TO THE CORPORATION AN OPINION TO SUCH EFFECT FROM COUNSEL OF RECOGNIZED STANDING REASONABLY SATISFACTORY TO THE CORPORATION PRIOR TO SUCH OFFER, SALE OR TRANSFER. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. PROVIDED THAT THE CORPORATION IS A "FOREIGN ISSUER" WITHIN THE MEANING OF REGULATION S AT THE TIME OF SALE, A NEW CERTIFICATE BEARING NO LEGEND MAY BE OBTAINED FROM THE CORPORATION'S [WARRANT AGENT/TRANSFER AGENT] UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE [WARRANT AGENT/TRANSFER AGENT] AND THE CORPORATION TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.;

SPECIAL WARRANT CERTIFICATE
CONSOLIDATED THOMPSON-LUNDMARK GOLD MINES LIMITED

(Incorporated under the laws of Canada)

No. ●

●
SPECIAL WARRANTS entitling the Holder to acquire, subject to adjustment, one Common Share (or 1.05 Common Shares, as described below) of Consolidated Thompson-Lundmark Gold Mines Limited for each Special Warrant represented hereby.

THIS CERTIFICATE IS TO CERTIFY that for value received ● (herein referred to as the "Holder") is the registered holder of the number of Special Warrants of Consolidated Thompson-Lundmark Gold Mines Limited (the "Corporation") stated above, and subject to adjustment and penalty provisions as set forth in the Special Warrant Indenture, is entitled to acquire, at any time after the date hereof and up until the earlier of (i) 5:00 p.m. (Toronto time) on October **[10]**, 2006 (the "Expiry Date") and (ii) the occurrence of a Deemed Exercise (as defined below), for each Special Warrant represented hereby (without payment of any additional consideration):

(a) one common share of the Corporation (a "Common Share"); or

(b) in the event that the Clearance Date does not occur on or before 5:00 p.m. (Toronto time) on September 7, 2006 (the "Qualification Deadline"), any Special Warrants exercised or deemed to be exercised following the Qualification Deadline shall thereafter entitle the Holder to receive 1.05 Common Shares,

all in the manner and subject to the restrictions and adjustments set forth in the Special Warrant Indenture (as hereinafter defined).

Any capitalized term in this Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Special Warrant Indenture.

The Special Warrants represented by this Certificate are issued or issuable in fully registrable form only under the provisions of an indenture (which indenture together with all other instruments ancillary thereto is referred to herein as the "Special Warrant Indenture") dated as of June 9, 2006 among the Corporation and Equity Transfer Services Inc. (the "Warrant Agent"). Reference is hereby made to the Special Warrant Indenture for a full description of the rights of the holders of the Special Warrants, the Corporation and the Warrant Agent in respect thereof, and the terms and conditions upon which the Special Warrants evidenced hereby are issued and held, all to the same effect as if the provisions of the Special Warrant Indenture were herein set forth. By acceptance of this Certificate, the Holder assents to all provisions of the Special Warrant Indenture. To the extent that the terms and conditions set forth in this Certificate conflict with the terms and conditions of the Special Warrant Indenture, the Special Warrant Indenture shall prevail. The Corporation will furnish to the holder of this Certificate, upon request and without charge, a copy of the Special Warrant Indenture.

The Corporation shall use its best efforts to file and obtain the Final Receipt in each of the Qualifying Provinces, qualifying the issuance and distribution of the Common Shares issuable on the exercise or Deemed Exercise of the Special Warrants as soon as possible after such regulatory comments and deficiencies have been resolved and in no event later than the Qualification Deadline.

In the event that the Holder has not exercised the Special Warrants represented hereby, then all of the Special Warrants represented by this Certificate shall be deemed to have been exercised on behalf of, and without any required action on the part of, the Holder thereof (a "Deemed Exercise") on the earlier of (i) the fifth Business Day after the date on which the Final Receipt has been issued; and (ii) 5:00 p.m. (Toronto time) on the Expiry Date.

Upon exercise or Deemed Exercise, the Special Warrants so exercised shall be void and of no value or effect.

Certificates representing the Common Shares issued upon exercise or Deemed Exercise of the Special Warrants (reflecting any adjustments as provided herein and in the Special Warrant Indenture) shall, within three (3) Business Days after the Exercise Date, be mailed by the Warrant Agent to the address of the Holder thereof last appearing on the register of Holders maintained by the Warrant Agent.

Except in the event of Deemed Exercise, the right to acquire Common Shares may only be exercised by the Holder within the time set forth above by:

(a) duly completing and executing the Exercise Form attached hereto; and

(b) surrendering this Special Warrant Certificate to the Warrant Agent at the principal transfer office of the Warrant Agent in the City of Toronto, Ontario.

If the Special Warrants represented by this Special Warrant Certificate are exercised by the Holder prior to the Expiry Time and prior to obtaining the Final Receipt by the Corporation, the Common Shares issued upon exercise of the Special Warrants shall be subject to hold periods under applicable securities legislation and the certificates representing such securities shall be endorsed with legends to that effect.

Except in the event of a Deemed Exercise, the Special Warrants represented by this Certificate shall be deemed to be surrendered only upon personal delivery hereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the offices referred to above.

Upon surrender of these Special Warrants, the person or persons in whose name or names the Common Shares issuable upon exercise of the Special Warrants are to be issued shall be deemed for all purposes (except as provided in the Special Warrant Indenture) to be the holder or holders of record of such Common Shares and the Corporation has covenanted that it will (subject to the provisions of the Special Warrant Indenture) cause a certificate or certificates representing the Common Shares to be delivered or mailed to the person or persons at the address or addresses specified in the Exercise Form within three (3) Business Days.

The Special Warrant Indenture provides for adjustments to certain rights of holders including the number of Common Shares issuable upon exercise or Deemed Exercise of the Special Warrants upon subdivision, consolidation or reclassification of the Common Shares or any reclassification, capital reorganization, amalgamation or merger of the Corporation and certain distributions of securities, including rights, options or warrants to purchase Common Shares or securities convertible or exchangeable into Common Shares or assets of the Corporation. The Holder should refer to the Special Warrant Indenture which provides for adjustments in certain other events.

The terms and conditions relating to the Special Warrants and this Certificate may be modified, changed or added to in accordance with the provisions of the Special Warrant Indenture. The Special Warrant Indenture contains provisions making binding upon all Holders of Special Warrants outstanding thereunder resolutions passed at meetings of such Holders held in accordance with such provisions and instruments in writing signed by the Holders entitled to acquire a specified percentage of the Common Shares which may be acquired pursuant to the exercise of all of the then outstanding Special Warrants.

The holding of the Special Warrants evidenced by this Certificate shall not constitute, or be construed as conferring upon, a Holder any right or interest whatsoever as a shareholder of the Corporation except such rights as may be provided in the Special Warrant Indenture or in this Certificate.

The Holder of this Certificate may, upon compliance with the reasonable requirements of the Warrant Agent and upon surrender of this Certificate, exchange this Certificate for another Certificate or Certificates entitling the Holder thereof to receive, in the aggregate, the same number of Common Shares as are issuable under this Certificate.

The Special Warrants evidenced by this Certificate may only be transferred upon due execution and delivery to the Warrant Agent of a Transfer Form in the form attached hereto and in compliance with all the conditions prescribed in the Special Warrant Indenture and compliance with such other reasonable requirements as the Warrant Agent may prescribe.

The Special Warrants represented hereby and securities which may be acquired hereunder have not been registered under the U.S. Securities Act and may not be transferred to or exercised by a person that is, or is acting on behalf of, any U.S. Person or person within the United States (collectively, a "U.S. Holder") unless registered under the U.S. Securities Act or pursuant to an applicable exemption from registration under the U.S. Securities Act. The Holder agrees to inform the Corporation and the Warrant Agent promptly if he is or becomes a U.S. Holder. In the event of Deemed Exercise, unless the Holder has previously informed the Corporation and the Warrant Agent that he is a U.S. Holder, the Holder shall be deemed to have represented and warranted to the Corporation and the Warrant Agent as of the date of such exercise that he is not a U.S. Holder.

This Special Warrant Certificate shall not be valid for any purpose until it has been certified by or on behalf of the Warrant Agent under the Special Warrant Indenture.

The registered holder of this Special Warrant Certificate expressly acknowledges having requested, and consents to, the drawing in the English language only of this Special Warrant Certificate evidencing the Special Warrants registered in his name and all documents relating to such Special Warrants. Le détenteur inscrit du présent certificat de bons de souscription reconnaît expressément avoir demandé et consenti que le présent certificat attestant qu'il est le détenteur inscrit de bons de souscription, ainsi que tous les documents s'y rapportant, soient rédigés en anglais seulement.

Time shall be of the essence hereof.

IN WITNESS WHEREOF the Corporation has caused this Special Warrant Certificate to be signed as of the _____ day of ___________________, 2006.

CONSOLIDATED THOMPSON-LUNDMARK GOLD MINES LIMITED

By:

____
Authorized Signing Officer

This Special Warrant Certificate is one of the Special Warrant Certificates referred to in the Special Warrant Indenture.

EQUITY TRANSFER SERVICES INC.
Warrant Agent, Toronto

By:

____
Authorized Signing Officer

EXERCISE FORM

To: CONSOLIDATED THOMPSON-LUNDMARK GOLD MINES LIMITED

And To: EQUITY TRANSFER SERVICES INC.

1. The undersigned Holder of the Special Warrants evidenced by the within Certificate hereby irrevocably subscribes for, and exercises his right to be issued, the number of Common Shares set forth below, such Common Shares being issuable upon exercise of such Special Warrants pursuant to the terms specified in the said Special Warrants and the Special Warrant Indenture.

2. The undersigned hereby acknowledges that he is aware that if the said right is being exercised before the date which is four months and a day after the date of issuance of his Special Warrants and before the Corporation receives the Final Receipt, the Common Shares received on exercise shall be subject to restrictions on resale under applicable securities legislation.

3. In connection with this subscription: **(check one)**

A. ☐ The undersigned hereby represents, warrants and certifies that it (i) is not a U.S. Person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933), (ii) at the time of exercise is not within the United States and did not execute or deliver this exercise form in the United States, and (iii) is not exercising any of the Special Warrants represented by this Special Warrant Certificate by or on behalf of any U.S. Person or Person within the United States; OR

B. ☐ The undersigned hereby represents, warrants and certifies that it (i) is a dealer or other professional fiduciary organized, incorporated or (if an individual) resident in the United States that is exercising the Special Warrants on behalf of and solely in its capacity as the holder of a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person and (ii) is not exercising any of the Special Warrants represented by this Special Warrant Certificate on behalf of any U.S. Person or Person within the United States; OR

C. ☐ The undersigned hereby represents, warrants and certifies that (i) neither it nor any Person on behalf of which it is exercising the Special Warrants represented by this Special Warrant Certificate was solicited to exchange Special Warrants, (ii) neither it nor any Person on behalf of which it is exercising the Special Warrants is aware that any commission or other renumeration has or will be paid or given directly or indirectly to any Person for soliciting the exercise of Special Warrants and (iii) it is directing below that the Common Shares be issued and delivered to it or, if it is exercising the Special Warrants on behalf of another Person, the Person on behalf of which it is exercising the Special Warrants; OR

D. ☐ The undersigned is delivering a written opinion of U.S. Counsel of recognized standing reasonably satisfactory to the Corporation to the effect that the Special Warrants and the Common Shares to be delivered upon exercise hereof have been registered under the United States Securities Act of 1933 or are exempt from registration thereunder.

The undersigned holder understands that unless one of Box 3A or Box 3B above is checked, or this Special Warrant Certificate does not bear such legend, the certificate(s) representing the Common Shares will bear a legend restricting transfer without registration under the *U.S. Securities Act* and applicable state securities laws unless an exemption from registration is available. The undersigned holder further understands that, if Box 3C above is checked, the Common Shares to be received upon exercise of the Special Warrants must be issued and delivered to the Holder of the Special Warrants or, if applicable, the Person on behalf of which it is exercising the Special Warrants.

4. The undersigned hereby irrevocably directs that the Common Shares be issued and delivered as follows:

Name(s) in full	Address(es) (include Postal Code)	Number(s) of Common Shares
	TOTAL	

(Please print full name in which certificate(s) are to be issued. If Box 3C above is checked, the Common Shares to be received upon exercise of the Special Warrants must be issued and delivered to the Holder of the Special Warrants or, if applicable, the Person on behalf of which it is exercising the Special Warrants. If any of the Common Shares are to be issued to a Person or Persons other than the Holder, the Holder must pay to the Warrant Agent all requisite taxes or other government charges.)

Dated this _______ day of ________________________, ____________.

_________________________________ _________________________________

Signature Guaranteed Signature of Registered Holder

____

Name of Registered Holder

☐ Please check box if certificates representing these Common Shares are to be delivered at the office of the Warrant Agent where this Special Warrant Certificate is surrendered, failing which the certificates shall be mailed to the address(es) set forth in 4. above.

Note: Certificates representing Common Shares will not be registered or delivered to an address in the United States if Box 3A is checked.

Instructions:

The registered holder may exercise his right to receive Common Shares by completing this form and surrendering this form and the Special Warrant Certificate representing the Special Warrants being exercised to Equity Transfer Services Inc., 120 Adelaide Street West, Suite 420, Toronto, Ontario M5H 4C3. Certificates for Common Shares shall be delivered or mailed within three (3) Business Days after the exercise of the Special Warrants.

If the Exercise Form indicates that Common Shares are to be issued to a person or persons other than the registered holder of the Certificate, the signature on this Exercise Form must be guaranteed by a Schedule "A" major chartered bank/trust company, or a member of an acceptable medallion guarantee program. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature guarantees are not accepted from Treasury Branches or credit unions unless they are members of the Stamp Medallion Program. In the United States, signature guarantees must be done by members of the "Medallion Signature Guarantee Program" only.

If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Corporation.

If the registered holder exercises his right to receive Common Shares prior to the Expiry Date and prior to the obtainment of the Final Receipt by the Corporation, the Common Shares may be subject to a hold period and may be issued with a legend reflecting such hold period.

TRANSFER FORM

ANY TRANSFER OF SPECIAL WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER.

To: **CONSOLIDATED THOMPSON-LUNDMARK GOLD MINES LIMITED**

And To: **EQUITY TRANSFER SERVICES INC.**

FOR VALUE RECEIVED, the undersigned hereby sells, transfers and assigns to ______________________________________, ________ Special Warrants represented by this Special Warrant Certificate and does hereby irrevocably appoint__________________________ _________________________as its attorney with full power of substitution to transfer the said Special Warrants on the appropriate register of the Warrant Agent.

DATED this ______ day of __________________________, ____________.

____
Signature Guaranteed

____
Signature of Registered Holder

____
Name of Registered Holder

(The following to be completed by the transferee)

In connection with this transfer the undersigned transferee hereby represents, warrants and certifies that (1)(i) it is not a U.S. Person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933), (ii) at the time of transfer is not within the United States, and (iii) is not acquiring any of the Special Warrants represented by this Special Warrant Certificate by or on behalf of any U.S. Person or Person within the United States, or (2) if the Special Warrant Certificate bears the U.S. Securities Act legend prescribed by subsection 3.2(5)(a) of the Warrant Indenture, the above named transferor (or its representative) has provided to the Warrant Agent an opinion of counsel confirming that this transfer is permitted under applicable securities laws in accordance with the requirements of the Warrant Indenture.

____
Signature Guaranteed

____
Signature of Transferee

____
Date

____
Name of Transferee (Please Print)

Instructions:

Signature of the Holder must be the signature of the registered holder appearing on the face of this Special Warrant Certificate.

If this Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Corporation, acting reasonably.

The signature on this Transfer Form must be guaranteed by a Schedule "A" major chartered bank/ trust company or a member of an acceptable medallion guarantee program. The guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature guarantees are not accepted from Treasury Branches or credit unions unless they are members of the Stamp Medallion Program. In the United States, signature guarantees must be done by members of the "Medallion Signature Guarantee Program" only.

Special Warrants shall only be transferable in accordance with applicable laws and the applicable provisions of the Special Warrant Indenture. The transfer of Special Warrants may result in the Common Shares received upon the exercise of the Special Warrants not being freely tradable in the jurisdiction of the purchaser.

SCHEDULE "B"
to the Special Warrant Indenture between Consolidated Thompson-Lundmark Gold Mines Limited and Equity Transfer Services Inc. dated as of June 9, 2006

FORM OF DECLARATION FOR REMOVAL OF U.S. LEGEND

TO: **Equity Transfer Services Inc. as warrant agent for the Special Warrants and registrar and transfer agent for the Common Shares of Consolidated Thompson-Lundmark Gold Mines Limited**

The undersigned (a) acknowledges that the sale of the securities of Consolidated Thompson-Lundmark Gold Mines Limited (the "Corporation") to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (b) certifies that (1) the undersigned is not an affiliate of the Corporation as that term is defined in Rule 405 under the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of Designated Offshore Securities Markets as defined in Regulation S under the U.S. Securities Act and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any "directed selling efforts" in connection with the offer and sale of such securities (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and (5) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act unless otherwise indicated.

Dated: ____________________

____
Print Name of Seller

By: ________________________________
Name:
Title: