

UNDERWRITING AGREEMENT

February 23, 2007

Constellation Copper Corporation
3900 S. Wadsworth Blvd, Suite 495
Lakewood, Colorado 80235

Attention: Mr. Gregory Hahn,
President and Chief Executive Officer

Dear Sirs:

The undersigned, TD Securities Inc. (“**TD**”), Sprott Securities Inc., GMP Securities L.P. and Wellington West Capital Markets Inc. (collectively, the “**Underwriters**”), understand that Constellation Copper Corporation (the “**Corporation**”) proposes to issue and sell \$60,000,000 aggregate principal amount of 5.5% convertible unsecured senior debentures of the Corporation (individually a “**Debenture**” and, collectively, the “**Debentures**”) at a price of \$1,000 per Debenture, as more particularly described in Schedule “A” attached hereto and subject to the terms and conditions set out below.

Upon and subject to the terms and conditions set forth herein, the Underwriters hereby severally offer to purchase from the Corporation in the respective percentages set forth in paragraph 19 hereof and the Corporation hereby agrees to sell to the Underwriters, all but not less than all of the Debentures, on a “bought deal basis”, at a price of \$1,000 per Debenture (the “**Offering Price**”) for an aggregate purchase price of \$60,000,000 and agree to act as agents to arrange for substituted purchasers for the Debentures resident in the Qualifying Provinces (as hereinafter defined) or those jurisdictions outside Canada, including the United States (as hereinafter defined), where the Debentures may be lawfully sold pursuant to the terms and conditions hereof.

The Corporation hereby grants to the Underwriters (in accordance with the percentages set forth in paragraph 19 hereof) an option (the “**Over-Allotment Option**”) to purchase severally and not jointly and offer for sale to the public pursuant hereto up to an additional \$9,000,000 aggregate principal amount of Debentures (the “**Additional Debentures**”) at the Offering Price during the 30-day period following the Closing Date (as hereinafter defined). The Over-Allotment Option may be exercised in whole or in part and from time to time by TD, on behalf of the Underwriters, by delivering written notice to the Corporation, not later than two Business Days prior to the proposed date of purchase and sale of Additional Debentures under the Over-Allotment Option, setting out the aggregate principal amount of Additional Debentures to be purchased by the Underwriters. Upon the furnishing of any notice exercising the Over-Allotment Option, the Underwriters shall be obligated to purchase and the Corporation shall be obligated to sell in accordance with and subject to the terms hereof, the aggregate principal amount of Additional Debentures indicated in such notice. In the event the Over-Allotment Option is exercised, one or

more separate closings shall be held (each an “**Over-Allotment Closing**”) and all of the terms and conditions relating to the closing of the purchase and sale of the Debentures shall apply to each Over-Allotment Closing.

The offering of the Debentures (which term shall include any Additional Debentures to be purchased in the event of the exercise of the Over-Allotment Option) by the Corporation is hereinafter referred to as the “**Offering**”. Unless the context otherwise requires, all references to the “**Debentures**” shall include the Additional Debentures issued pursuant to the exercise of the Over-Allotment Option.

The Corporation and the Underwriters agree that any sales or purchases of Debentures in the United States or to a U.S. Person (as hereinafter defined) will be made in accordance with Schedule “B” attached hereto, which forms part of this Agreement, will be conducted in such a manner so as not to require registration thereof or the filing of a registration statement with respect thereto under the U.S. Securities Act (as hereinafter defined) and will be conducted through one or more duly registered affiliates of the Underwriters in compliance with applicable federal and state securities laws of the United States.

In consideration of the services to be rendered by the Underwriters in connection with the Offering, the Corporation shall pay to the Underwriters at each Closing Time (as hereinafter defined) in cash a fee equal to 3.5% of the gross proceeds realized by the Corporation in respect of the sale of the Debentures (the “**Underwriters’ Fee**”). The obligation of the Corporation to pay the Underwriters’ Fee shall arise at the Closing Time and the Underwriters’ Fee shall be fully earned by the Underwriters at that time.

Terms and Conditions

The following are additional terms and conditions of this Agreement between the Corporation and the Underwriters:

1. Definitions. In this Agreement, in addition to the terms defined above, the following terms shall have the following meanings:

“**affiliate**”, “**associate**”, “**distribution**”, “**material change**”, “**material fact**”, “**misrepresentation**”, “**person**” and “**subsidiary**” have the respective meanings ascribed thereto in the *Securities Act* (Ontario);

“**Agreement**” means the agreement resulting from the acceptance by the Corporation of the offer made hereby;

“**AIF**” means the Corporation’s annual information form dated March 29, 2006 in respect of the year ended December 31, 2005;

“**Business Day**” means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Vancouver, British Columbia, Canada or the City of Toronto, Ontario, Canada;

“**CDS**” means the Canadian Depository for Securities Limited;

“**Closing**” means the completion of the issue and sale by the Corporation of the Debentures and the purchase by the Underwriters of the Debentures pursuant to this Agreement;

“**Closing Date**” means March 12, 2007 or such other date as the Corporation and the Underwriters may agree upon;

“**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as the Corporation and the Underwriters may agree upon;

“**Common Share**” means a common share in the capital of the Corporation;

“**Corporation’s Auditors**” means PricewaterhouseCoopers LLP, Chartered Accountants, or such other firm of chartered accountants as the Corporation may have appointed or may from time to time appoint as auditors of the Corporation;

“**Credit Agreement**” means the Credit Agreement dated as of October 20, 2004, as amended February 10, 2006, March 3, 2006 and as otherwise amended from time to time, between, inter alia, the Corporation and Investec Bank (UK) Limited;

“**Debenture Shares**” means the Common Shares issuable upon due conversion, redemption or maturity of the Debentures;

“**Debenture Trustee**” means Pacific Corporate Trust Company, in its capacity as trustee for the Debentures, at its principal offices in the City of Vancouver, British Columbia;

“**Debt Instrument**” means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability;

“**Documents Incorporated by Reference**” means all financial statements, management information circulars, annual information forms, material change reports or other documents issued by the Corporation, whether before or after the date of this Agreement, that are required to be incorporated by reference into the Prospectus;

“**Environmental Laws**” shall have the meaning ascribed thereto in paragraph 9(oo);

“**Final Prospectus**” means the (final) short form prospectus (in both the English and French languages, unless the context indicates otherwise), including all of the Documents Incorporated by Reference, prepared by the Corporation and relating to the distribution of the Debentures and for which an MRRS decision document has been issued by the British Columbia Securities Commission on its own behalf and on behalf of each of the other Canadian Securities Commissions;

“**Financial Information**” shall have the meaning ascribed thereto in paragraph 5(a)(iv);

“**Financial Statements**” shall have the meaning ascribed thereto in paragraph 9(e);

“**FSMA**” means the United Kingdom Financial Services and Markets Act 2000;

“**Governmental Authority**” means and includes, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

“**including**” means including without limitation;

“**Indemnified Party**” shall have the meaning ascribed thereto in paragraph 12(a);

“**Indenture**” means the trust indenture pursuant to which the Debentures are to be created and issued, to be dated the Closing Date, between the Corporation and the Debenture Trustee;

“**Information**” shall have the meaning ascribed thereto in paragraph 9(v);

“**Leased Premises**” means the premises which are material to the Corporation and the Subsidiaries, taken as a whole, and which the Corporation or the Subsidiaries occupy as tenant;

“**Lisbon Valley Project**” means the Corporation’s Lisbon Valley copper project located in San Juan County, Utah;

“**Material Adverse Effect**” means, with respect to the Corporation, any change, event, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), capitalization, financial condition or results of operations of the Corporation and the Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business of the Corporation or the Subsidiaries;

“**Material Agreement**” means any Debt Instrument, contract, commitment, agreement (written or oral), instrument, lease or other document to which the Corporation is a party and which is material to the Corporation;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“**NP 43-201**” means National Policy 43-201 – *Mutual Reliance Review System for Prospectuses*;

“**Preliminary Prospectus**” means the preliminary short form prospectus (in both the English and French languages, unless the context indicates otherwise), including all of the Documents Incorporated by Reference, dated February 23, 2007, prepared by the Corporation and relating to the distribution of the Debentures;

“**Prospectus**” means, collectively, the Preliminary Prospectus and the Final Prospectus, in each case including all of the Documents Incorporated by Reference;

“**Qualifying Provinces**” means, collectively, each of the provinces of Canada;

“**Regulation D**” means Regulation D adopted by the SEC under the U.S. Securities Act;

“**Regulation S**” means Regulation S adopted by the SEC under the U.S. Securities Act;

“**San Javier Project**” means the Corporation’s San Javier copper project located in Sonora, Mexico;

“**Securities Commission**” means the applicable securities commission or regulatory authority in each of the Qualifying Provinces, as the case may be;

“**Securities Laws**” means, unless the context otherwise requires, all applicable securities laws in each of the Qualifying Provinces, the United States and the United Kingdom and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such jurisdictions;

“**SEC**” means the United States Securities and Exchange Commission;

“**Selling Firm**” has the meaning given to it in paragraph 4(a);

“**Standard Listing Conditions**” has the meaning ascribed thereto in subparagraph 5(a)(viii);

“**Subsequent Disclosure Documents**” means any financial statements, management information circulars, annual information forms, material change reports or other documents issued by the Corporation after the date of this Agreement that are required to be incorporated by reference in the Prospectus;

“**subsidiary**” shall have the meaning ascribed thereto in the *Canada Business Corporations Act*;

“**Subsidiaries**” means, collectively, the material subsidiaries of the Corporation, being Minera Terrazas S.A. de C.V., San Javier del Cobre S.A. de C.V., Summo USA Corporation and Lisbon Valley Mining Co. LLC;

“**Supplementary Material**” means, collectively, any amendment to the Prospectus, any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Corporation under the Securities Laws of the Qualifying Provinces relating to the distribution of the Debentures thereunder;

“**Taxes**” shall have the meaning ascribed thereto in paragraph 9(g);

“**Terrazas Project**” means the Corporation’s Terrazas zinc-copper project located in Chihuahua, Mexico;

“**Transfer Agent**” means Pacific Corporate Trust Company, in its capacity as transfer agent and registrar of the Corporation at its principal offices in the City of Vancouver, British Columbia;

“**TSX**” means the Toronto Stock Exchange;

“**UK Prospectus Rules**” means the rules published by the Financial Service Authority implementing the Prospectus Directive (2003/71/EC);

“**United Kingdom**” means the United Kingdom of Great Britain and Northern Ireland;

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**U.S. Memorandum**” has the meaning given to it in Schedule “B” to this Agreement;

“**U.S. Person**” means a “U.S. person” as that term is defined in Regulation S; and

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

Schedules. The following are the schedules to this Agreement, which schedules (including the representations, warranties and covenants set out therein) are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule “A” -	Term Sheet
Schedule “B” -	United States Offers and Sales
Schedule “C” -	Details of Outstanding Convertible Securities

2. Attributes of the Debentures. The Debentures to be issued and sold by the Corporation hereunder shall be duly and validly created and issued by the Corporation and, when issued and sold by the Corporation, such Debentures shall have the rights, privileges, restrictions and conditions that conform in all material respects to the rights, privileges, restrictions and conditions set forth in the Prospectus, subject to such modifications or changes (if any) prior to the Closing Date as may be agreed to in writing by the Corporation and the Underwriters.

3. Filing of Prospectus.

(a) The Corporation shall:

- (i) not later than February 23, 2007, have prepared and filed the Preliminary Prospectus (in the English and French language, as appropriate) and other required documents with the Securities Commissions under the Securities Laws of the Qualifying Provinces pursuant to NP 43-201 and designated the Province of British Columbia as the principal regulator thereunder and have obtained a receipt document from the British Columbia Securities Commission, as principal regulator under NP 43-201, evidencing that a receipt has been issued with respect to the Preliminary Prospectus from the Securities Commissions; and

- (ii) forthwith after any comments with respect to the Preliminary Prospectus have been received from the Securities Commissions but not later than March 5, 2007 (or such later date as may be agreed to in writing by the Corporation and the Underwriters), have prepared, filed and obtained a receipt document from the British Columbia Securities Commission, as principal regulator, evidencing that a receipt has been issued with respect to the Final Prospectus from each of the Securities Commissions or otherwise fulfilled all legal requirements to enable the Debentures to be offered and sold to the public in Canada through the Underwriters or any other investment dealer or broker registered to transact such business in the applicable Qualifying Provinces contracting with the Underwriters.
- (b) Prior to the filing of the Final Prospectus and thereafter, during the period of distribution of the Debentures, the Corporation shall have allowed the Underwriters to participate fully in the preparation of, and to approve the form and content of, such documents and shall have allowed the Underwriters to conduct all due diligence investigations which they may reasonably require in order to fulfill their obligations as underwriters and in order to enable them to execute the certificate required to be executed by them at the end of such documents.

4. Distribution and Certain Obligations of the Underwriters.

- (a) The Underwriters shall, and shall require any investment dealer or broker (other than the Underwriters) with which the Underwriters have a contractual relationship in respect of the distribution of the Debentures (each, a “**Selling Firm**”) to agree to, comply with the Securities Laws in connection with the distribution hereof and shall offer the Debentures for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Prospectus and this Agreement. The Underwriters shall, and shall require any Selling Firm to, offer for sale to the public and sell the Debentures only in those jurisdictions where they may be lawfully offered for sale or sold. The Underwriters shall: (i) use all reasonable efforts to complete and cause each Selling Firm to complete the distribution of the Debentures as soon as reasonably practicable; and (ii) promptly notify the Corporation when, in their opinion, the Underwriters and the Selling Firms have ceased distribution of the Debentures and provide a breakdown of the aggregate principal amount of Debentures distributed in each of the Qualifying Provinces where such breakdown is required for the purpose of calculating fees payable to the Securities Commissions.
- (b) The Underwriters shall, and shall require any Selling Firm to agree to, distribute the Debentures in a manner which complies with and observes all applicable laws and regulations in each the Qualifying Provinces, the United States and the United Kingdom and will not, directly or indirectly, offer, sell or deliver any Debentures or deliver the Prospectus or any Supplementary Material to any person in any jurisdiction other than in the Qualifying Provinces, except in a manner which will not require the Corporation to comply with the registration, prospectus, filing, continuous disclosure or other similar

requirements under the applicable Securities Laws of such other jurisdictions or pay any additional governmental filing fees which relate to such other jurisdictions. Subject to the foregoing, the Underwriters and any Selling Firm shall be entitled to offer and sell the Debentures in the United States solely pursuant to an applicable exemption or exemptions from the registration requirements of the U.S. Securities Act, and in other jurisdictions in accordance with any applicable securities and other laws in the jurisdictions in which the Underwriters and/or Selling Firms offer the Debentures. Any offer or sale of the Debentures in the United States or to U.S. Persons will be made in accordance with Schedule “B” which forms part of this Agreement. Subject to the foregoing, the Underwriters and any Selling Firm shall be entitled to offer and sell the Debentures in the United Kingdom under appropriate exemptions under FSMA and the UK Prospectus Rules.

- (c) Notwithstanding the foregoing provisions of this paragraph 4, the Underwriters and each Selling Firm represent, warrant and agree that they will not offer or sell any Debentures to persons in the United Kingdom except to persons who are (a) a “qualified investor” within the meaning of section 86(7) of FSMA; and (b) within the categories of persons referred to in Article 19 (Investment Professionals) or Article 49 (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act (Financial Promotion) Order 2005.
- (d) For the purposes of this paragraph 4, the Underwriters shall be entitled to assume that the Debentures are qualified for distribution in any Qualifying Province where a receipt or similar document for the Final Prospectus shall have been obtained from the applicable Securities Commission (including a decision document for the Final Prospectus issued under NP 43-201) following the filing of the Final Prospectus, unless otherwise notified in writing.
- (e) The Corporation and the Underwriters agree that Schedule “B” to this Agreement entitled “United States Offers and Sales” is incorporated by reference in and shall form part of this Agreement.
- (f) Notwithstanding the foregoing provisions of this paragraph 4, an Underwriter will not be liable to the Corporation under this paragraph 4 with respect to a default under this paragraph 4 or Schedule “B” by another Underwriter or another Underwriter’s duly registered broker-dealer affiliate in the United States, as the case may be.

5. Deliveries on Filing and Related Matters.

- (a) The Corporation shall deliver to each of the Underwriters:
 - (i) at the Closing Time, a copy of the Preliminary Prospectus and the Final Prospectus in the English language signed and certified as required by the Securities Laws of the Qualifying Provinces other than the Province of Québec;
 - (ii) at the Closing Time, a copy of the Preliminary Prospectus and the Final

Prospectus in the French language signed and certified as required by the Securities Laws applicable in the Province of Québec;

- (iii) at the Closing Time, a copy of any other document required to be filed by the Corporation under the Securities Laws of the Qualifying Provinces in connection with the filing of the Prospectus;
- (iv) concurrently with the filing of the French language version of the Preliminary Prospectus and the Final Prospectus with the Securities Commissions, opinions of Desjardins Ducharme L.L.P., dated the date of the Preliminary Prospectus and the date of the Final Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters, the Corporation, their respective counsel and the directors of the Corporation, to the effect that the French language version of each of the Preliminary Prospectus and the Final Prospectus, including all Documents Incorporated by Reference, except for the Financial Statements and certain other financial information, including management's discussion and analysis (collectively, the "**Financial Information**"), as to which no opinion need be expressed by such counsel, is, in all material respects, a complete and proper translation of the English language version thereof;
- (v) concurrently with the filing of the French language version of the Preliminary Prospectus and the Final Prospectus with the Securities Commissions, opinions of PricewaterhouseCoopers LLP dated the date of the Preliminary Prospectus and the date of the Final Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters, the Corporation, their respective counsel and the directors of the Corporation, to the effect that the French language version of the Financial Information contained in the Preliminary Prospectus and the Final Prospectus is, in all material respects, a complete and proper translation of the English language version thereof;
- (vi) concurrently with the filing of the Final Prospectus with the Securities Commissions, a "long-form" comfort letter of PricewaterhouseCoopers LLP, dated the date of the Final Prospectus (with the requisite procedures to be completed by such auditor within two Business Days of the date of such letter), in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the directors of the Corporation, with respect to certain financial and accounting information relating to the Corporation in the Final Prospectus, including all Documents Incorporated by Reference, which letter shall be in addition to the auditors' report incorporated by reference in the Final Prospectus and the auditors' comfort letter, if any, addressed to the Securities Commissions;
- (vii) as soon as possible after the Preliminary Prospectus, the Final Prospectus and any Supplementary Material are prepared, copies of the U.S. Memorandum; and

- (viii) prior to the filing of the Final Prospectus, evidence satisfactory to the Underwriters of the conditional approval of the TSX of the listing and posting for trading on the TSX of the Debentures, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the TSX in similar circumstances (the “**Standard Listing Conditions**”).

(b) ***Supplementary Material.***

The Corporation shall also prepare and deliver promptly to the Underwriters signed copies of all Supplementary Material. Concurrently with the delivery of any Supplementary Material or the incorporation by reference in the Prospectus of any Subsequent Disclosure Document, the Corporation shall deliver to the Underwriters, with respect to such Supplementary Material or Subsequent Disclosure Document, opinions and comfort letters substantially similar to those referred to in paragraphs 5(a) (iv), (v) and (vi), as applicable.

(c) ***Representations as to Prospectus and Supplementary Material.***

Delivery of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material by the Corporation shall constitute a representation and warranty by the Corporation to the Underwriters that, as at their respective dates of filing:

- (i) all information and statements (except information and statements relating solely to the Underwriters and provided by the Underwriters) contained and incorporated by reference in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as the case may be, are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation and the Debentures as required by applicable Securities Laws of the Qualifying Provinces;
- (ii) no material fact or information has been omitted therefrom (except facts or information relating solely to the Underwriters and provided by the Underwriters) which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made;
- (iii) except with respect to any information relating solely to the Underwriters and provided by the Underwriters, such documents comply fully with the requirements of the Securities Laws of the Qualifying Provinces; and
- (iv) except as set forth or contemplated in the Prospectus or any Supplementary Material or as has otherwise been publicly disclosed, there has been no adverse material change (actual, anticipated, contemplated, proposed or threatened) in the business, affairs, prospects, operations, assets, liabilities (contingent or otherwise), capital or ownership of the Corporation on a consolidated basis since the end of the period covered by the Financial Statements.

Such deliveries shall also constitute the Corporation's consent to the Underwriters' use of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material in connection with the distribution of the Debentures in compliance with this Agreement, unless otherwise advised in writing.

(d) ***Commercial Copies.***

The Corporation shall cause commercial copies of the Preliminary Prospectus and the Final Prospectus in the English and French languages and the U.S. Memorandum to be delivered to the Underwriters without charge, in such quantities and in such cities as the Underwriters may reasonably request by oral instructions to the printer of such documents. Such delivery of the Preliminary Prospectus and the Final Prospectus shall be effected as soon as possible after filing thereof with the Securities Commissions but, in any event on or before noon (Toronto time) on the second Business Day after the filing thereof. Such deliveries shall constitute the consent of the Corporation to the Underwriters' use of the Preliminary Prospectus and the Final Prospectus for the distribution of the Debentures in the Qualifying Provinces in compliance with the provisions of this Agreement and Securities Laws of the Qualifying Provinces and of the U.S. Memorandum for the distribution of the Debentures in the United States in compliance with the provisions of Schedule "B". The Corporation shall similarly cause to be delivered commercial copies of any Supplementary Material and hereby similarly consents to the Underwriters' use thereof. The Corporation shall cause to be provided to the Underwriters, without cost, such number of copies of any Documents Incorporated by Reference as the Underwriters may reasonably request for use in connection with the distribution of the Debentures.

(e) ***Press Releases.***

During the period from the date of this Agreement to the completion of distribution of the Debentures, the Corporation will promptly provide to the Underwriters drafts of any press releases of the Corporation for review by the Underwriters and the Underwriters' counsel prior to issuance. To deal with the possibility that securities may be sold to United States purchasers, the Corporation covenants and agrees that any press release issued in connection with the Offering shall comply with the advice to be received by the Corporation from its United States counsel.

6. Material Change.

- (a) During the period from the date of this Agreement to the completion of distribution of the Debentures, the Corporation covenants and agrees with the Underwriters that it shall promptly notify the Underwriters in writing of:
- (i) any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation and the Subsidiaries, taken as a whole;
 - (ii) any material fact which has arisen or has been discovered and would have been required to have been stated in the Preliminary Prospectus or the Final Prospectus had the fact arisen or been discovered on, or prior to, the date of such document;

and

- (iii) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material which fact or change is, or may be, of such a nature as to render any statement in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material misleading or untrue in any material respect or which would result in a misrepresentation in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material or which would result in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material not complying (to the extent that such compliance is required) with Securities Laws of the Qualifying Provinces.

The Corporation shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Underwriters, acting reasonably, with all applicable filings and other requirements under the Securities Laws as a result of such fact or change; provided that the Corporation shall not file any Supplementary Material or other document without first obtaining from the Underwriters the approval of the Underwriters, after consultation with the Underwriters with respect to the form and content thereof, which approval will not be unreasonably withheld. The Corporation shall in good faith discuss with the Underwriters any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is or could be reasonable doubt whether written notice need be given under this paragraph 6(a).

(b) ***Change in Securities Laws of the Qualifying Provinces.***

If during the period of distribution of the Debentures there shall be any change in Securities Laws of the Qualifying Provinces which, in the opinion of the Underwriters, acting reasonably, requires the filing of any Supplementary Material, upon written notice from the Underwriters, the Corporation covenants and agrees with the Underwriters that it shall, to the satisfaction of the Underwriters, acting reasonably, promptly prepare and file such Supplementary Material with the appropriate securities regulatory authority in each of the Qualifying Provinces where such filing is required.

7. Regulatory Approvals. Prior to the filing of the Final Prospectus with the Securities Commissions, the Corporation shall file or cause to be filed with the TSX all necessary documents and shall take or cause to be taken all necessary steps to ensure that the Corporation has obtained all necessary approvals for the Debentures and the Debenture Shares to be conditionally listed on the TSX, subject only to the Standard Listing Conditions.

8. Covenants of the Corporation. The Corporation hereby covenants with each of the Underwriters, and acknowledges that each of the Underwriters is relying upon such covenants in purchasing the Debentures, that the Corporation shall:

- (a) advise the Underwriters, promptly after receiving notice thereof, of the time when the Preliminary Prospectus, the Final Prospectus and any Supplementary Material has been filed and receipts therefor have been obtained and will provide evidence reasonably satisfactory to the Underwriters of each such filing and copies of such receipts;
- (b) advise the Underwriters, promptly after receiving notice or obtaining knowledge thereof, of: (i) the issuance by any Securities Commission of any order suspending or preventing the use of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material; (ii) the suspension of the qualification of the Debentures in any of the Qualifying Provinces; (iii) the institution, threatening or contemplation of any proceeding for any such purposes; or (iv) any requests made by any Securities Commission for amending or supplementing the Preliminary Prospectus or the Final Prospectus or for additional information, and will use its commercially reasonable efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;
- (c) for a period of five years after the Closing Date, other than in the event of a sale of the Corporation or in the event of the sale of all or substantially all of the assets of the Corporation, use its reasonable commercial efforts to maintain its status as a reporting issuer, or the equivalent thereof, in each of the Qualifying Provinces not in default of any requirement of the applicable Securities Laws of the Qualifying Provinces;
- (d) use commercially reasonable efforts to ensure that the Debentures, when issued on the Closing Date, will be listed and posted for trading on the TSX;
- (e) for a period of five years after the Closing Date, other than in the event of a sale of the Corporation or in the event of the sale of all or substantially all of the assets of the Corporation, use reasonable commercial efforts to maintain the listing of the Common Shares and the Debentures, as applicable, on the TSX or such other recognized stock exchange or quotation system as the Underwriters may approve, acting reasonably;
- (f) ensure that the Debentures shall be duly and validly created, authorized and issued upon payment of the applicable aggregate principal amount;
- (g) use the net proceeds of the Offering in the manner specified in the Prospectus under the caption "Use of Proceeds";
- (h) for a period of 90 days from the Closing Date, not, directly or indirectly, without the prior written consent of TD (on behalf of the Underwriters), such consent not to be unreasonably withheld, issue or announce any offer, sale or other issuance, of any additional Debentures, Common Shares or any securities convertible into, exchangeable for or exercisable to acquire Common Shares, other than pursuant to: (a) this Agreement; (b) the grant or exercise of stock options pursuant to the Corporation's stock option plan; or (c) the exchange, transfer, conversion or exercise rights of existing outstanding securities or existing commitments to issue securities which, for greater certainty, includes the securities listed in Schedule "C" to this Agreement; and

- (i) cause each director and senior officer of the Corporation to execute and deliver written undertakings in favour of the Underwriters agreeing not to sell, transfer, assign, pledge or otherwise dispose of any Debentures, Common Shares or any securities convertible into, exchangeable for or exercisable to acquire Common Shares owned, directly or indirectly, by such directors and senior officers for a period of 90 days from the Closing Date, without the prior written consent of TD (on behalf of the Underwriters), such consent not to be unreasonably withheld, with the exception of Common Shares issuable upon exercise of previously granted stock options which expire during such 90 day period.

9. Representations and Warranties of the Corporation. The Corporation hereby represents and warrants to each of the Underwriters, and acknowledges that each of the Underwriters is relying upon such representations and warranties in purchasing the Debentures, that:

- (a) the Corporation and each of the Subsidiaries has been duly incorporated, amalgamated or continued and is validly existing under the laws of their respective jurisdictions of incorporation, amalgamation or continuance, as the case may be, and no proceedings have been instituted or, to the knowledge of the Corporation, are pending for the dissolution or liquidation of the Corporation or any of the Subsidiaries;
- (b) the Corporation and each of the Subsidiaries has all requisite corporate power, authority and capacity to own or lease and to operate its property and assets, including all material licences or other similar rights necessary to carry on the business customarily carried on by it;
- (c) all consents, approvals, permits, authorizations or filings as may be required under the Securities Laws of the Qualifying Provinces, as well as all resolutions of the Corporation's board of directors, necessary for the execution and delivery of this Agreement and the Indenture, the creation and issuance of the Debentures, the issuance of the Debenture Shares upon due conversion of the Debentures and the consummation of the transactions contemplated in this Agreement have been made or obtained, as applicable;
- (d) the execution and delivery of this Agreement and the Indenture, the performance by the Corporation of its obligations hereunder and thereunder, the creation, issue and sale of the Debentures, the issuance of the Debenture Shares upon due conversion of the Debentures and the consummation of the transactions contemplated in this Agreement, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both), (A) any statute, rule or regulation applicable to the Corporation or the Subsidiaries, including the Securities Laws of the Qualifying Provinces and the policies, rules and regulations of the TSX; (B) the constating documents, by-laws or resolutions of the Corporation or the Subsidiaries that are in effect at the date hereof; (C) any Material Agreement to which the Corporation or the Subsidiaries are a party or by which they are

bound that would have a Material Adverse Effect; or (D) any judgment, decree or order binding the Corporation or the Subsidiaries and their respective property or assets;

- (e) the audited consolidated financial statements of the Corporation as at December 31, 2005 and 2004 and for the years ended December 31, 2005 and 2004 and the unaudited consolidated interim financial statements as at September 30, 2006 and for the nine month periods ended September, 2006 and 2005 (collectively, the “**Financial Statements**”) have been, and the audited consolidated financial statements of the Corporation as at December 31, 2006 and for the year ended December 31, 2006 will be, prepared in accordance with generally accepted accounting principles in Canada consistently applied with prior periods, except as otherwise noted therein and present fairly, in all material respects, the financial position (including the assets and liabilities, whether absolute, contingent or otherwise) of the Corporation and the Subsidiaries as at such dates and results of operations of the Corporation and the Subsidiaries for the periods then ended and there has been no material change in accounting policies of the Corporation and the Subsidiaries since December 31, 2005, except as has been publicly disclosed in the Prospectus or in the Documents Incorporated by Reference;
- (f) there has been no adverse material change (actual, proposed or prospective, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation or the Subsidiaries since December 31, 2005, which has not been generally disclosed to the public and, in all material respects, the business of the Corporation and the Subsidiaries has been carried on in the usual and ordinary course consistent with past practice since December 31, 2005 to the extent that such past practice is consistent with the current business direction of the Corporation and the Subsidiaries;
- (g) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers’ compensation payments, property taxes, customs duties, goods and services, sales and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, “**Taxes**”) due and payable, or required to be collected or withheld and remitted, by the Corporation or the Subsidiaries have been paid, collected or withheld and remitted, as applicable. All tax returns, declarations, remittances and filings required to be filed by the Corporation or the Subsidiaries have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom that would make any of them misleading. To the Corporation’s knowledge, after due inquiry, no examination of any tax return of the Corporation or any of the Subsidiaries is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by the Corporation or the Subsidiaries. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to the Corporation and the Subsidiaries;

- (h) the auditors of the Corporation who audited the consolidated financial statements of the Corporation for the years ended December 31, 2005 and 2004 and who provided their audit report thereon are independent public accountants as required under applicable Securities Laws of the Qualifying Provinces and there has never been a “reportable event” (within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations*) between the Corporation and such auditors or, to the knowledge of the Corporation, any former auditors of the Corporation;
- (i) no person has or will have at the Closing Date, any agreement or option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option for the purchase from the Corporation of any unissued shares or securities of the Corporation, except as set forth in Schedule “C” to this Agreement;
- (j) other than as disclosed to the Underwriters, there is not, in the constating documents, by-laws or in any Material Agreement to which the Corporation or any of the Subsidiaries are a party, any restriction upon or impediment to, the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of the Common Shares;
- (k) other than as disclosed to the Underwriters, the Corporation and the Subsidiaries are not parties to or bound or affected by any commitment, agreement or document containing any covenant that expressly limits the freedom of the Corporation or the Subsidiaries to compete in any line of business, transfer or move any of their assets or operations or that materially or adversely affects the business practices, operations or condition of the Corporation and the Subsidiaries, taken as a whole;
- (l) no legal or governmental proceedings are pending to which the Corporation or the Subsidiaries are a party or to which their property or assets are subject that would result individually or in the aggregate in any material adverse change in the operation, business or condition of the Corporation and the Subsidiaries, taken as a whole, and to the best knowledge of the Corporation no such proceedings have been threatened against or are contemplated with respect to the Corporation and the Subsidiaries or their respective properties or assets;
- (m) each of the Corporation and the Subsidiaries have conducted and are conducting their business in compliance in all material respects with all applicable laws and regulations of each jurisdiction in which each of them carries on business (including, without limitation, all applicable environmental, anti-pollution and licensing laws, regulations and other lawful requirements of any governmental or regulatory body, including exploration, exploitation, development and extraction permits and concessions) and have not received a notice of non-compliance, nor know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits;
- (n) the Corporation is not aware of any pending change or contemplated change to any applicable law or regulation or governmental position that would materially adversely

affect the business of the Corporation and the Subsidiaries, taken as a whole, or the business or legal environment under which the Corporation and the Subsidiaries operate;

- (o) this Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;
- (p) upon the execution and delivery thereof, the Indenture shall constitute a valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;
- (q) at the Closing Time, all necessary corporate action will have been taken by the Corporation to (a) create and authorize the issuance of the Debentures, and (b) allot and authorize the issuance of the Debenture Shares and, upon due conversion, redemption or maturity in accordance with the terms of the Indenture, the Debentures Shares shall be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (r) as of the close of business on February 22, 2007, the Corporation's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series, of which 178,834,020 Common Shares and no preferred shares are issued and outstanding;
- (s) the Corporation is a reporting issuer, or the equivalent thereof, under the Securities Laws of each of the provinces of Canada, is not in default of any requirement of the Securities Laws of the Qualifying Provinces and the Corporation is not included on a list of defaulting reporting issuers maintained by any of the Securities Commissions that maintain such lists;
- (t) the Corporation's issued and outstanding Common Shares are listed and posted for trading solely on the TSX and no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation is currently outstanding and no proceedings for such purpose have been instituted or, to the knowledge of the Corporation, are pending, contemplated or threatened by any regulatory authority;
- (u) at the Closing Time, all necessary notices and filings will have been made with and all necessary consents, approvals and authorizations will have been obtained by the Corporation from the TSX to ensure that, subject to fulfilling the Standard Listing

Conditions, the Debentures and the Debenture Shares will be listed and posted for trading on the TSX upon their issuance;

- (v) all information that has been prepared by the Corporation relating to the Corporation and the Subsidiaries and their business, property or liabilities and either publicly disclosed (including information on the website of the Corporation at any time during the period commencing on February 20, 2007 and ending on the date hereof) or provided to the Underwriters, including all financial, marketing, sales and operational information provided to the Underwriters (collectively, the “**Information**”) is, as of the date of such Information, true and correct in all material respects, and no fact or facts have been omitted therefrom that would make such Information misleading in any material respect;
- (w) the Corporation is not a party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities issued by the Corporation;
- (x) all disclosure and filings on the public record and fees required to be made and paid by the Corporation and the Subsidiaries pursuant to the Securities Laws of the Qualifying Provinces and general corporate laws have been made and paid, and the Corporation has not filed any confidential material change reports;
- (y) the AIF is in the form required by Form 51-102F2 as prescribed by National Instrument 51-102 *Continuous Disclosure Obligations* and does not contain a misrepresentation;
- (z) the Corporation and the Subsidiaries are in compliance with all laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages. There has not been in the last three years and there is not currently any labour disruption or conflict involving the Corporation or the Subsidiaries;
- (aa) except as disclosed in the Information, the Corporation and the Subsidiaries do not have any loans or other indebtedness outstanding which has been made to, nor have they guaranteed any obligations of, any of their respective shareholders, officers, directors or employees, past or present, or any person not dealing at arm’s length (as such term is defined in the *Income Tax Act* (Canada)) with them;
- (bb) except as disclosed in the Information, the Corporation and the Subsidiaries are not party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument;
- (cc) neither the Corporation, nor the Subsidiaries, nor, to the knowledge of the Corporation, after due inquiry, any other person, is in material default in the observance or performance of any term or obligation to be performed by it under any Material Agreement and no event has occurred that with notice or lapse of time or both would constitute such a default;

- (dd) the minute books and records of the Corporation and the Subsidiaries, which the Corporation has made available to the Underwriters and their counsel, Cassels Brock & Blackwell LLP, in connection with their due diligence investigation of the Corporation and the Subsidiaries, for the periods from their respective dates of incorporation to the date of examination thereof, are all of the minute books and substantially all the material records of the Corporation and the Subsidiaries and contain copies of all material proceedings (or certified copies thereof) of the shareholders, the boards of directors and all committees of the boards of directors of the Corporation and the Subsidiaries to the date of review of such corporate records and minute books. There have been no other material meetings, resolutions or proceedings of the shareholders, boards of directors or any committees of the boards of directors of the Corporation and the Subsidiaries to the date of review of such corporate records and minute books not reflected in such minute books and other records;
- (ee) with respect to each of the Leased Premises, the Corporation and the Subsidiaries occupy the Leased Premises and have the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation and the Subsidiaries occupy the Leased Premises is in good standing in all material respects and is in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of the transactions described herein by the Corporation will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases;
- (ff) other than the security interests granted pursuant to the Credit Agreement, the Corporation and the Subsidiaries are the absolute legal and beneficial owners of, and have good and marketable title to, all of the material property or assets thereof as described in the Information, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those described in the Information, and no other property rights are necessary for the conduct of the business of the Corporation and the Subsidiaries taken as a whole as currently conducted or contemplated to be conducted, the Corporation knows of no claim or basis for any claim that might or could adversely affect the right of the Corporation and the Subsidiaries to use, transfer or otherwise exploit such property rights and, except as disclosed in the Information, the Corporation and the Subsidiaries have no responsibility or obligation to pay any commission, royalty, license fee or similar payment to any person with respect to the property rights thereof;
- (gg) the Corporation and the Subsidiaries hold either freehold title, mining leases, mining claims or other conventional property, proprietary or contractual interests or rights, recognized in the jurisdiction in which a particular property is located in respect of the ore bodies and minerals located in properties in which the Corporation and the Subsidiaries have an interest as described in the Information under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Corporation and the Subsidiaries to explore the minerals relating thereto, all such property, leases or claims and all property, leases or claims in which the Corporation and the Subsidiaries have any interest or right have been

validly located and recorded in accordance with all applicable laws and are valid and subsisting, the Corporation and the Subsidiaries have all necessary surface rights, access rights and other necessary rights and interest relating to the properties in which the Corporation and the Subsidiaries have an interest as described in the Information granting the Corporation and the Subsidiaries the right and ability to explore for minerals, ore and metals for development purposes as are appropriate in view of their respective rights and interests therein, with only such exceptions as do not materially interfere with the use made by the Corporation and the Subsidiaries of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above are currently in good standing in the name of the Corporation or the Subsidiaries;

- (hh) any and all of the agreements and other documents and instruments pursuant to which the Corporation and the Subsidiaries hold their property and assets (including any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law, and the Corporation and the Subsidiaries are not in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged. None of the properties (or any interest in, or right to earn an interest in, any property) of the Corporation and the Subsidiaries is subject to any right of first refusal or purchase or acquisition rights that are not disclosed in the Information;
- (ii) there are no material actions, suits, proceedings or inquiries, to the knowledge of the Corporation, after due inquiry, pending or threatened against or affecting the Corporation or the Subsidiaries at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality;
- (jj) the assets of the Corporation and the Subsidiaries and their business and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the Corporation and the Subsidiaries have not breached the terms of any policies in respect thereof or failed to promptly give any notice or present any material claim thereunder;
- (kk) the Transfer Agent, at its principal offices in the City of Vancouver, British Columbia, has been duly appointed as transfer agent and registrar in respect of the Common Shares;
- (ll) the Debenture Trustee, at its principal offices in the City of Vancouver, British Columbia, has been duly appointed as trustee in respect of the Debentures;

- (mm) other than the Underwriters, there is no person acting or purporting to act at the request of or on behalf of the Corporation, that is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement;
- (nn) the Corporation and the Subsidiaries are in compliance in all material respects with each material licence and permit held by them and are not in violation of, or in default under, the applicable statutes, ordinances, rules, regulations, orders or decrees (including, without limitation, Environmental Laws (as defined below)) of any governmental entities, regulatory agencies or bodies having, asserting or claiming jurisdiction over it or over any part of its respective operations or assets;
- (oo) the Corporation and the Subsidiaries (i) are in material compliance with any and all applicable foreign, federal, provincial, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (ii) have received all permits, licences or other approvals required under applicable Environmental Laws to conduct their business, (iii) are in material compliance with all terms and conditions of any such permit, licence or approval, (iv) confirm that there have been no past, and to the best knowledge of the Corporation, after due inquiry, there are no pending or threatened claims, complaints, notices or requests for information received by the Corporation or the Subsidiaries with respect to any alleged material violation of any Environmental Law, and (v) confirm, to the knowledge of the Corporation, no conditions exist at, on or under any property now or previously owned or leased by the Corporation and the Subsidiaries which, with the passage of time or the giving of notice or both, would give rise to liability under any Environmental Law that, individually or in the aggregate, has or may reasonably be expected to have, a Material Adverse Effect;
- (pp) the Corporation has duly filed with the applicable regulatory authorities all reports required by NI 43-101 and all such reports comply with the requirements of NI 43-101;
- (qq) the use of the proceeds of the Offering in the manner specified in the Prospectus under the caption "Use of Proceeds" do not breach any provision of any agreement to which the Corporation or the Subsidiaries are a party or by which they are bound;
- (rr) upon satisfaction of the Standard Listing Conditions, the Debentures will be qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans;
- (ss) the Corporation has not completed any "significant acquisition", "significant disposition" nor is it proposing any "probable acquisitions" (as such terms are defined in National Instrument 44-101 *Short Form Prospectus Distributions*) that would require the inclusion of any additional financial statements or pro forma financial statements in the Prospectus pursuant to Securities Laws of the Qualifying Provinces;

- (tt) the Corporation is eligible to file a short form prospectus in each of the Qualifying Provinces pursuant to applicable Securities Laws of the Qualifying Provinces and on the date of and upon filing of the Final Prospectus there will be no documents required to be filed under the Securities Laws of the Qualifying Provinces in connection with the Offering that will not have been filed as required;
- (uu) to the knowledge of the Corporation, the Corporation is not aware of any circumstances presently existing under which liability is or could reasonably be expected to be incurred under Part XXIII – Civil Liability for Secondary Market Disclosure of the *Securities Act* (Ontario);
- (vv) the Corporation has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its securities or agreed to do any of the foregoing;
- (ww) other than the Corporation, there is no person that is or will be entitled to the proceeds of the Offering under the terms of any debt instrument, material agreement, mortgage, note, indenture, contract, instrument or lease agreement (written or unwritten);
- (xx) there are no judgments against the Corporation or any of the Subsidiaries that are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation or any of the Subsidiaries are subject; and
- (yy) with respect to the information set forth or incorporated by reference in the Prospectus:
 - (a) information relating to the estimates of mineral reserves and mineral resources has been reviewed and verified by the Corporation or independent consultants to the Corporation;
 - (b) the mineral reserve and mineral resource information has been prepared in accordance with Canadian industry standards set forth in NI 43-101;
 - (c) the method of estimating the mineral reserves and mineral resources has been validated by mining experience;
 - (d) the information upon which the estimates of mineral reserves and mineral resources was based was, at the time of the delivery thereof, complete and accurate in all material respects; and
 - (e) there have been no material changes to such information since the date of delivery or preparation thereof except as publicly disclosed.

The additional representations, warranties and covenants of the Corporation set out in Schedule “B” to this Agreement are hereby incorporated by reference.

10. Conditions of Closing. The Underwriters’ obligation to purchase the Debentures at the Closing Time shall be subject to the accuracy of the representations and warranties of the Corporation contained in this Agreement as of the date of this Agreement and as of the Closing Date, the performance by the Corporation of its obligations under this Agreement and the following conditions:

- (a) the Corporation shall cause its counsel, Fogler, Rubinoff LLP, to deliver to the Underwriters a legal opinion dated and delivered on the Closing Date, in form and substance satisfactory to the Underwriters, acting reasonably, with respect to the

following matters:

- (i) the Corporation is a “reporting issuer”, or its equivalent, in each of the provinces of Canada and it is not listed as in default of any requirement of the Securities Laws of any of the Qualifying Provinces;
- (ii) the Corporation is a corporation existing under the federal laws of Canada and has all requisite corporate power to carry on its business as now conducted and to own, lease and operate its property and assets;
- (iii) the authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series;
- (iv) the Corporation has all necessary corporate power and capacity: (i) to execute and deliver this Agreement and the Indenture and to perform its obligations hereunder and thereunder; (ii) to create, issue and sell the Debentures; and (iii) to issue the Debenture Shares upon due conversion of the Debentures in accordance with the terms of the Indenture;
- (v) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Preliminary Prospectus and the Final Prospectus and the filing thereof with the Securities Commissions;
- (vi) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of this Agreement and the Indenture and the performance of its obligations hereunder and thereunder and each of this Agreement and the Indenture have been executed and delivered by the Corporation and constitute legal, valid and binding obligations of the Corporation enforceable against it in accordance with their terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to such other standard assumptions and qualifications including the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution set out in this Agreement may be limited by applicable law;
- (vii) the execution and delivery of this Agreement and the Indenture, the fulfilment of the terms hereof and thereof by the Corporation, the creation, issuance, sale and delivery of the Debentures to be issued and sold by the Corporation at the Closing Time and the issuance of the Debenture Shares upon due conversion of the Debentures do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with (i) the provisions of any law, statute, rule or regulation to which the Corporation is subject; (ii) the constating documents and by-laws of the Corporation; (iii) any resolutions of the shareholders or directors of the Corporation; or (iv) any judgment, order or decree, of which counsel is aware, of any court, governmental

agency or body or regulatory authority having jurisdiction over the Corporation in Canada;

- (viii) the rights, privileges, restrictions and conditions attaching to the Debentures and the Debenture Shares are accurately summarized in all material respects in the Final Prospectus;
- (ix) the Debentures have been duly and validly created;
- (x) the Debenture Shares have been reserved for issuance by the Corporation and, upon due conversion, redemption or maturity of the Debentures in accordance with the terms of the Indenture, the Debenture Shares will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (xi) all necessary documents have been filed, all requisite proceedings have been taken and all approvals, permits and consents of the appropriate regulatory authority in each of the Qualifying Provinces to qualify the distribution or distribution to the public of the Debentures in each of the Qualifying Provinces through persons who are registered under applicable legislation and who have complied with the relevant provisions of such applicable legislation;
- (xii) the issuance by the Corporation of the Debenture Shares to be issued upon due conversion of the Debentures, in accordance with the terms and conditions of the Indenture, will be exempt from, or will not be subject to, the prospectus and registration requirements of the Securities Laws of each of the Qualifying Provinces and no prospectus or other documents are required to be filed, proceedings taken, or approvals, permits, consents or authorizations will be required to be made, taken or obtained pursuant to the Securities Laws in any of the Qualifying Provinces in connection with such distributions;
- (xiii) the first trade in, or resale of, as applicable, the Debenture Shares issuable upon due conversion of the Debentures will be exempt from, or will not be subject to, the prospectus and registration requirements of the Securities Laws of each of the Qualifying Provinces and no prospectus or other documents are required to be filed, proceedings taken, or approvals, permits, consents or authorizations required to be made, taken or obtained pursuant to the Securities Laws in any of the Qualifying Provinces in connection with such trades or distributions, subject to the exceptions generally provided for in such opinions;
- (xiv) subject only to the Standard Listing Conditions, the Debentures and the Debenture Shares have been conditionally listed on the TSX;
- (xv) the form and terms of the definitive certificates representing the Debentures have been approved by the board of directors of the Corporation and comply with the Indenture;

- (xvi) Pacific Corporate Trust Company has been duly appointed as the trustee in respect of the Debentures and as the transfer agent and registrar for the Common Shares;
- (xvii) the Debentures will, on the Closing Date, be qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans; and
- (xviii) confirming its opinions concerning tax matters contained under the heading “Certain Federal Income Tax Considerations” in the Final Prospectus.

In connection with such opinion, counsel to the Corporation may rely on the opinions of local counsel in the Qualifying Provinces acceptable to the Underwriters, acting reasonably, as to the qualification for distribution of the Debentures or opinions may be given directly by local counsel of the Corporation with respect to those items and as to other matters governed by the laws of jurisdictions other than the province in which they are qualified to practice and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers of the Corporation and others;

- (b) for purposes of Schedule “B”, if any Debentures are sold directly by the Corporation to substituted purchasers in the United States or to U.S. Persons in accordance with Schedule “B”, the Corporation shall cause a favourable legal opinion to be delivered by its United States counsel, Solomon Pearl Blum Heymann & Stich LLP, to the Underwriters to the effect that no registration of the Debentures will be required under the U.S. Securities Act as a result thereof, such opinion to be subject to such qualifications and assumptions as the Underwriters may agree, acting reasonably;
- (c) the Underwriters shall have received at the Closing Time a favourable legal opinion, in form and substance satisfactory to the Underwriters, acting reasonably, dated as of the Closing Date, of Desjardins Ducharme L.L.P., addressed to the Underwriters regarding compliance with the laws of the Province of Québec relating to the use of the French language in connection with the documents (including the Preliminary Prospectus, the Final Prospectus and any Supplementary Material, other than with respect to Financial Information therein) to be delivered to purchasers in the Province of Québec;
- (d) the Corporation shall cause its local counsel in each jurisdiction of incorporation, organization or formation, as the case may be, of each Subsidiary to deliver to the Underwriters and their counsel a legal opinion dated and delivered as of the Closing Date, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, with respect to the following matters:
 - (i) each of the Subsidiaries is a corporation or other form of entity existing under the laws of the jurisdiction in which it was incorporated, organized, formed, amalgamated or continued, as the case may be, and has all requisite corporate power to carry on its business as now conducted and to own, lease and operate its

property and assets; and

- (ii) all of the issued and outstanding shares or other ownership interests or rights of the Subsidiaries are registered, directly or indirectly, in the name of the Corporation or a subsidiary of the Corporation;
- (e) the Underwriters shall have received title opinions or title reports dated as of the Closing Date, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, as to the title to the Lisbon Valley Project, the San Javier Project and the Terrazas Project;
- (f) the Corporation shall cause its auditors, PricewaterhouseCoopers LLP, to deliver to the Underwriters a comfort letter, dated as of the Closing Date, in form and substance satisfactory to the Underwriters, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letter referred to in paragraph 5(a)(vi) hereof;
- (g) the Underwriters shall have received a certificate, dated as of the Closing Date, signed by the President and Chief Executive Officer of the Corporation or any other senior officer of the Corporation as may be acceptable to the Underwriters, in form and substance satisfactory to the Underwriters, acting reasonably, with respect to:
 - (i) the articles and by-laws of the Corporation;
 - (ii) the resolutions of the Corporation's board of directors relevant to the creation, issue and sale of the Debentures to be created, issued and sold by the Corporation and the authorization of the other agreements and transactions contemplated herein;
 - (iii) the incumbency and signatures of signing officers of the Corporation; and
 - (iv) such other matters as the Underwriters may reasonably request;
- (h) the Corporation shall deliver to the Underwriters, at the Closing Time, a certificate dated as of the Closing Date addressed to the Underwriters and signed by the President and Chief Executive Officer of the Corporation and the Chief Financial Officer of the Corporation, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiries and after having carefully examined the Final Prospectus and any Supplementary Material, that:
 - (i) the Corporation has complied with all the covenants and satisfied all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time;
 - (ii) the representations and warranties of the Corporation contained herein are true and correct as at the Closing Time, with the same force and effect as if made on

and as at the Closing Time after giving effect to the transactions contemplated hereby;

- (iii) decision documents have been issued by the Securities Commissions in the Qualifying Provinces for the Final Prospectus and no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Debentures or any other securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any Securities Laws of the Qualifying Provinces or by any regulatory authority;
- (iv) since the respective dates as of which information is given in the Final Prospectus (A) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation and the Subsidiaries on a consolidated basis, and (B) no transaction has been entered into by the Corporation or any of the Subsidiaries which is material to the Corporation on a consolidated basis, other than as disclosed in the Final Prospectus or the Supplementary Material, as the case may be; and
- (v) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact) contained in the Final Prospectus which fact or change is, or may be, of such a nature as to render any statement in the Final Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Final Prospectus or which would result in the Final Prospectus not complying with Securities Laws of the Qualifying Provinces;
- (i) the Underwriters shall have received copies of correspondence indicating that the Corporation has obtained all necessary approvals for the Debentures and the Debenture Shares to be conditionally listed on the TSX, subject only to the Standard Listing Conditions;
- (j) the Underwriters shall have received a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at a date no more than two Business Days prior to the Closing Date;
- (k) the Underwriters shall have received a certificate of compliance or the equivalent in respect of the Corporation and each of the Subsidiaries issued by the appropriate regulatory authority in each jurisdiction in which the Corporation and the Subsidiaries are formed; and
- (l) the Underwriters shall have received the undertakings requested by the Underwriters pursuant to subsection 8(i) hereof.

11. Closing. The purchase and sale of the Debentures shall be completed at the Closing Time at the offices of Fogler, Rubinoff LLP in Toronto, Ontario or at such other place as TD and the Corporation may agree upon. At the Closing Time, the Corporation shall deliver to the Underwriters one or more definitive certificate(s) representing the Debentures registered in the name of “CDS & Co.” or in such other name or names as the Underwriters may notify the Corporation in writing not less than 24 hours prior to the Closing Time (provided that any Debentures sold in the United States pursuant to Schedule “B” shall be individually certificated and shall not be included in any global certificate issued to CDS or its nominee), against payment by the Underwriters to the Corporation, at the direction of the Corporation, of the aggregate purchase price for the Debentures less an amount equal to the Underwriters’ Fee and a reasonable estimate of the out-of-pocket fees and expenses of the Underwriters and their counsel payable pursuant to paragraph 15, by wire transfer or, if permitted by applicable law, by certified cheque or bank draft, together with a receipt signed by TD (on behalf of the Underwriters) for such definitive certificate(s) and for receipt of the Underwriters’ Fee and such expenses.

12. Indemnification by the Corporation.

- (a) The Corporation shall fully indemnify and save harmless each of the Underwriters and their respective affiliates, and the respective directors, officers, employees and agents thereof (collectively, the “**Indemnified Parties**” and individually an “**Indemnified Party**”) from and against all losses (other than losses of profit), claims, damages, liabilities, costs and expenses, (including the reasonable fees and expenses of the Indemnified Parties’ counsel that may be incurred in advising with respect to or defending such claim), in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Corporation by the Indemnified Parties or otherwise in connection with the matters referred to in this Agreement, including, without limitation, in any way caused by, or arising directly or indirectly from, or in consequence of caused by or arising directly or indirectly from or in consequence of:
 - (i) the breach of, or default under, any term, condition, covenant or agreement of the Corporation made or contained herein or in any other document of the Corporation delivered pursuant hereto or made by the Corporation in connection with the sale of the Debentures or any representation or warranty of the Corporation made or contained herein or in any other document of the Corporation delivered pursuant hereto or in connection with the sale of the Debentures being or being alleged to be untrue, false or misleading;
 - (ii) any negligence or wilful misconduct by the Corporation relating to or connected with the sale by the Corporation of the Debentures;
 - (iii) any omission or alleged omission to state in any of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material (including, for greater certainty, the Documents Incorporated by Reference and any Subsequent Disclosure Documents) or in any certificate of the Corporation delivered under

this Agreement or pursuant to this Agreement any fact (except facts relating solely to the Underwriters), required to be stated in such document or necessary to make any statement in such document not misleading in light of the circumstances under which it was made;

- (iv) any order made or enquiry, investigation or proceedings commenced or threatened by any securities regulator or other competent authority, not based upon the activities or alleged activities of the Underwriters, based upon any untrue, false or misleading statement or omission or alleged untrue, false or misleading statement or omission or any misrepresentation or alleged misrepresentation made by the Corporation;
 - (v) the non-compliance or alleged non-compliance by the Corporation with any of the Securities Laws of the Qualifying Provinces or the U.S. Securities Act relating to or connected with the sale by the Corporation of the Debentures, including the Corporation's non-compliance with any statutory requirement to make any document available for inspection, provided that, in the event and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made or a regulatory authority in a final ruling from which no appeal can be made shall determine that the liabilities, claims, actions, suits, proceedings, losses, costs, damages or expenses resulted from the negligence, fraud or wilful misconduct of an Indemnified Party claiming indemnity, this indemnity shall not apply.
- (b) If any claim contemplated by this paragraph 12 shall be asserted against any of the Indemnified Parties, or if any potential claim contemplated by this paragraph 12 shall come to the knowledge of any of the Indemnified Parties, the Indemnified Party concerned shall notify in writing the Corporation as soon as possible of the nature of such claim (provided that any failure to so notify in respect of any potential claim shall affect the liability of the Corporation under this paragraph 12 only to the extent that the Corporation is prejudiced by such failure). The Corporation shall, subject as hereinafter provided, be entitled (but not required) to assume the defence on behalf of the Indemnified Party of any suit brought to enforce such claim; provided that the defence shall be through legal counsel selected by the Corporation and acceptable to the Indemnified Party, acting reasonably and no admission of liability shall be made by the Corporation or the Indemnified Party without, in each case, the prior written consent of all the Indemnified Parties affected and the Corporation, in each case such consent not to be unreasonably withheld. An Indemnified Party shall have the right to employ separate counsel in any such suit and participate in the defence thereof but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless:
- (i) the Corporation fails to assume the defence of such suit on behalf of the Indemnified Party within twenty days of receiving notice of such suit;
 - (ii) the employment of such counsel has been authorized by the Corporation; or

- (iii) the named parties to any such suit (including any added or third parties) include the Indemnified Party and the Corporation and the Indemnified Party and the Corporation shall have been advised in writing by counsel that representation of the Indemnified Party by counsel for the Corporation is inappropriate as a result of the potential or actual conflicting interests of those represented;

(in each of cases (i), (ii) or (iii), the Corporation shall not have the right to assume the defence of such suit on behalf of the Indemnified Party, but the Corporation shall only be liable to pay the reasonable fees and disbursements of one firm of separate counsel for all Indemnified Parties. In no event shall the Corporation be required to pay the fees and disbursements of more than one set of counsel for all Indemnified Parties in respect of any particular claim or set of claims).

- (c) The Corporation hereby acknowledges and agrees that, with respect to paragraph 12 and 13 hereof, the Underwriters are contracting on their own behalf and as agents for their affiliates, directors, officers, employees and agents and their respective directors, officers, employees and agents (collectively, the “**Beneficiaries**”). In this regard, each of the Underwriters shall act as trustee for the Beneficiaries of the covenants of the Corporation under paragraph 12 and 13 hereof with respect to the Beneficiaries and accepts these trusts and shall hold and enforce such covenants on behalf of the Beneficiaries.
- (d) The rights of indemnity contained in this paragraph 12 shall not enure to the benefit of the Underwriters or any other Indemnified Party if the person asserting any claim contemplated by this Section was not provided with a copy of the Prospectus or Supplementary Material which corrects any untrue statement or information, misrepresentation or omission which is the basis of such claim and which is required under the Securities Laws, to be delivered to such person by the Underwriters or members of their banking or selling group (if any).

13. **Contribution.**

- (a) In order to provide for just and equitable contribution in circumstances in which the indemnity provided in paragraph 12 hereof would otherwise be available in accordance with its terms but is, for any reason not solely attributable to any one or more of the Indemnified Parties, held to be unavailable to or unenforceable by the Indemnified Parties or enforceable otherwise than in accordance with its terms, the Underwriters and the Corporation shall contribute to the aggregate of all claims, damages, liabilities, costs and expenses and all losses (other than losses of profits) of the nature contemplated in paragraph 12 hereof and suffered or incurred by the Indemnified Parties in proportions such that the Underwriters shall be responsible for the portion represented by the percentage that the total Underwriters’ fee payable to the Underwriters bears to the aggregate purchase price of the Debentures, both as determined pursuant to the provisions hereof, and the Corporation shall, subject to subparagraph (b) of this paragraph 13, be responsible for the balance, whether or not it has been sued or sued separately; provided that the Underwriters shall not in any event be liable to contribute, in the aggregate, any amount in excess of such total fee or any portion thereof actually

received. However, no party who has engaged in any fraud, fraudulent misrepresentation or negligence shall be entitled to claim contribution from any person who has not engaged in such fraud, fraudulent misrepresentation or negligence.

- (b) For greater certainty, the Corporation shall not have any obligation to contribute pursuant to this paragraph 13 in respect of any claim except to the extent the indemnity given by it in paragraph 12 hereof would have been applicable to such claim in accordance with its terms, had such indemnity been found to be enforceable and available to the Indemnified Parties.
- (c) The rights to contribution provided in this paragraph 13 shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law provided that subparagraphs (a) and (b) of this paragraph 13 shall apply, *mutatis mutandis*, in respect of such other right.
- (d) If an Indemnified Party has reason to believe that a claim for contribution may arise, the Indemnified Party shall give the Corporation notice thereof in writing, but failure to so notify shall not relieve the Corporation of any obligation which it may have to the Indemnified Party under this paragraph 13 provided that the Corporation is not prejudiced by such failure, and the right of the Corporation to assume the defence of such Indemnified Party shall apply as set out in paragraph 12 hereof, *mutatis mutandis*.

14. Over-Allotment Option.

- (a) The Corporation hereby grants to the Underwriters, for the purpose of covering over-allotments, if any, or for market stabilization purposes, the Over-Allotment Option to purchase the Additional Debentures. The Over-Allotment Option is exercisable in whole or in part at any time or times on or before 5:00 p.m. (Toronto time) on the 30th day following the Closing Date. For greater certainty, the Underwriters shall be paid the Underwriters' Fee in respect of the issue and sale of any Additional Debentures purchased pursuant to the exercise of the Over-Allotment Option. TD, on behalf of the Underwriters, may exercise the Over-Allotment Option from time to time, in whole or in part, during the currency thereof by delivering written notice to the Corporation (the "**Over-Allotment Notice**") specifying the aggregate principal amount of Additional Debentures which the Underwriters wish to purchase. If the Underwriters exercise the Over-Allotment Option, the Underwriters shall, on the Closing Date, which shall be a date that is not less than three Business Days and not more than seven Business Days after the date of the Over-Allotment Notice (such day to be specified by the Underwriters in their sole discretion), pay to the Corporation the aggregate purchase price for the Additional Debentures so purchased by wire transfer, certified cheque or bank draft in Canadian currency payable at par in Toronto, Ontario against delivery of one or more certificates in definitive form representing the Additional Debentures, registered in the name of "CDS & Co." or in such other name as the Underwriters may direct. The applicable terms, conditions and provisions of this Agreement (including, without limitation, the provisions of section 10 relating to closing deliveries, unless otherwise agreed to by the Underwriters and the Corporation) shall apply *mutatis mutandis* to the

issuance of any Additional Debentures pursuant to any exercise of the Over-Allotment Option.

- (b) In the event that the Corporation shall subdivide, consolidate, reclassify or otherwise change its Common Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the Issue Price and to the aggregate principal amount of Additional Debentures issuable on exercise thereof such that the Underwriters are entitled to arrange for the sale of the same number and type of securities that the Underwriters would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or change.

15. Expenses. Whether or not the purchase and sale of the Debentures shall be completed, all expenses of or incidental to the creation, issuance, delivery and marketing of the Debentures and of or incidental to all matters in connection with the transactions herein set out shall be borne by the Corporation including, without limitation:

- (a) all expenses of or incidental to the creation, issue, sale or distribution of the Debentures and the filing of the Preliminary Prospectus and the Final Prospectus and the reasonable out-of-pocket expenses of the Underwriters and the reasonable fees and disbursements of the Underwriters' counsel;
- (b) the reasonable fees and expenses of the auditors, counsel to the Corporation and all local counsel (including GST on all of the foregoing), the Debenture Trustee and the Transfer Agent; and
- (c) all costs incurred in connection with the preparation, translation, filing and printing of the Preliminary Prospectus, the Final Prospectus, any Supplementary Material and the certificates evidencing the Debentures, all as contemplated hereunder.

At the option of the Underwriters, such fees and expenses may be deducted from the gross proceeds otherwise payable to the Corporation at Closing.

16. All Terms to be Conditions. The Corporation agrees that the conditions contained in paragraph 10 will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Corporation and that it will use its commercially reasonable efforts to cause all such conditions to be complied with. Any breach or failure to comply with any of the conditions set out in paragraph 10 shall entitle the Underwriters to terminate their obligation to purchase the Debentures, by written notice to that effect given to the Corporation at or prior to the Closing Time. It is understood that the Underwriters may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Underwriters in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters any such waiver or extension must be in writing.

17. Termination by Underwriters in Certain Events.

- (a) Each Underwriter shall also be entitled to terminate its obligation to purchase the Debentures by written notice to that effect given to the Corporation at or prior to the Closing Time if:
 - (i) *material change* - there shall be any material change in the affairs of the Corporation, or there should be discovered any previously undisclosed material fact required to be disclosed in the Preliminary Prospectus, Final Prospectus or Supplementary Material or there should occur a change in a material fact contained in the Preliminary Prospectus, Final Prospectus or Supplementary Material, in each case which, in the reasonable opinion of the Underwriters (or any of them), has or would be expected to have a significant adverse effect on the market price or value of the Debentures or any other securities of the Corporation; or
 - (ii) *disaster out* - (A) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) (including matters of regulatory transgression or unlawful conduct) is commenced, announced or threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, the TSX or any securities regulatory authority or any law or regulation is enacted or changed which in the opinion of the Underwriters (or any of them), acting reasonably, operates to prevent or restrict the trading of the Debentures or any other securities of the Corporation or materially and adversely affects or will materially and adversely affect the market price or value of the Debentures or any other securities of the Corporation; or (ii) if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including terrorism) or any law or regulation which in the reasonable opinion of the Underwriters seriously adversely affects, or involves, or will, or could reasonably be expected to, seriously adversely affect, or involve, the financial markets or the business, operations or affairs of the Corporation and the Subsidiaries taken as a whole.
- (b) If this Agreement is terminated by any of the Underwriters pursuant to paragraph 17(a), there shall be no further liability on the part of such Underwriter or of the Corporation to such Underwriter, except in respect of any liability which may have arisen or may thereafter arise under paragraphs 12, 13 and 15.
- (c) The right of the Underwriters or any of them to terminate their respective obligation under this Agreement is in addition to such other remedies as they may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Underwriter under this paragraph 17 shall not be binding upon the other Underwriters.

18. Action by Underwriters. All steps that must or may be taken by the Underwriters in

connection with this Agreement, with the exception of the matters relating to termination contemplated by paragraph 17 or matters relating to indemnity and contribution contemplated by paragraphs 12 and 13, may be taken by TD on behalf of itself and the other Underwriters and the execution and delivery of this Agreement by the Corporation and the Underwriters shall constitute the Corporation's authority for accepting notification of any such steps from, and for delivery of the definitive certificates representing the Debentures to TD. TD agrees to consult with the other Underwriters with respect to all material matters.

19. Obligations of the Underwriters to be Several. Subject to the terms and conditions hereof, the obligations of the Underwriters to purchase the Debentures pursuant to the Offering at the Closing Time shall be several (and not joint or joint and several). The percentage of the Debentures to be severally purchased and paid for by each of the Underwriters shall be as follows:

<u>Name of Underwriter</u>	<u>Percentage</u>
TD Securities Inc.	50%
Sprott Securities Inc.	20%
GMP Securities L.P.	20%
Wellington West Capital Markets Inc.	10%

If an Underwriter (a "**Refusing Underwriter**") shall not complete the purchase and sale of the Debentures which such Underwriter has agreed to purchase hereunder for any reason whatsoever, the other Underwriters (the "**Continuing Underwriters**") shall be entitled, at their option, to purchase all but not less than all of the Debentures which would otherwise have been purchased by such Refusing Underwriter *pro rata* according to the aggregate principal amount of Debentures to have been acquired by the Continuing Underwriters hereunder or in such proportion as the Continuing Underwriters shall agree in writing. If the Continuing Underwriters do not elect to purchase the balance of the Debentures pursuant to the foregoing:

- (a) the Continuing Underwriters shall not be obliged to purchase any of the Debentures that any Refusing Underwriter is obligated to purchase; and
- (b) the Corporation shall not be obliged to sell less than all of the Debentures,

and the Corporation shall be entitled to terminate its obligations under this Agreement arising from their acceptance of this offer, in which event there shall be no further liability on the part of the Corporation or the Continuing Underwriters, except pursuant to the provisions of paragraphs 12, 13 and 14. Nothing in this Agreement shall oblige any U.S. affiliate of any of the Underwriters to purchase the Debentures. Any U.S. broker-dealer who makes any offers or sales of the Debentures to U.S. Persons will do so solely as an agent for an Underwriter.

20. Survival of Representations, Warranties, Covenants and Agreements. All representations, warranties, representations, covenants and agreements of the Corporation and the Underwriters herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement and in connection with the transaction of purchase and sale

herein contemplated shall survive the purchase and sale of the Debentures and shall continue in full force and effect for the benefit of the Underwriters, regardless of the closing of the sale of the Debentures, any subsequent disposition of the Debentures or any investigation that may be carried out by or on behalf of the Underwriters.

21. Notices. Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a “**notice**”) shall be in writing addressed as follows:

(a) If to the Corporation, to:

Constellation Copper Corporation
3900 S. Wadsworth Blvd, Suite 495
Lakewood, Colorado 80235

Attention: Gregory Hahn
Facsimile: (303) 863-1736

with a copy to:

Fogler, Rubinoff LLP
95 Wellington Street West, Suite 1200
Toronto-Dominion Centre
Toronto, Ontario M5J 2Z9

Attention: Monique T. Rabideau
Facsimile: (416) 941-8852

(b) If to the Underwriters, to:

TD Securities Inc.
66 Wellington Street West,
TD Tower, 8th Floor
Toronto, Ontario M5K 1A2

Attention: Gorden Glenn
Facsimile: (416) 983-1752

Sprott Securities Inc.
Royal Bank Plaza, South Tower
Suite 2750
Toronto, Ontario M5J 2J2

Attention: Darren Wallace
Facsimile: (416) 943-6496

GMP Securities L.P.
145 King Street West, Suite 1100
Toronto, Ontario M5H 1J8

Attention: Mark Wellings
Facsimile: (416) 943-6160

Wellington West Capital Markets Inc.
145 King Street West, Suite 700
Toronto, Ontario M5H 1J8

Attention: William Washington
Facsimile: (416) 642-1910

with a copy to:

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

Attention: Norman Findlay
Facsimile: (416) 350-6944

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by facsimile transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice that is sent by facsimile transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

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

23. Canadian Dollars. All references herein to dollar amounts are to lawful money of Canada.

24. Headings. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

25. Singular and Plural, etc. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

26. Entire Agreement. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and

understandings, including, without limitation, the engagement letter dated February 20, 2007. This Agreement may be amended or modified in any respect by written instrument only.

27. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

28. Governing Law. This Agreement shall be governed by and be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

29. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation and the Underwriters and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein, this Agreement shall not be assignable by any party without the written consent of the others.

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

31. Effective Date. This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

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

33. Counterparts. This Agreement may be executed in any number of counterparts and delivered by facsimile, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY.]

If this Agreement accurately reflects the terms of the transactions that the Underwriters and the Corporation are to enter into and if such terms are agreed to by the Corporation, please communicate your acceptance by executing where indicated below and returning by facsimile one copy and returning by courier one originally executed copy to TD (Attention: Gorden Glenn), whereupon this letter and your acceptance shall constitute a binding agreement between the Corporation and the Underwriters.

Yours very truly,

TD SECURITIES INC.

Per: "Vered Kaminker"
Authorized Signing Officer

SPROTT SECURITIES INC.

Per: "Darren Wallace"
Authorized Signing Officer

GMP SECURITIES L.P.

Per: "Mark Wellings"
Authorized Signing Officer

WELLINGTON WEST CAPITAL MARKETS INC.

Per: "William Washington"
Authorized Signing Officer

The foregoing is hereby accepted and agreed to by the undersigned as of the date first written above.

CONSTELLATION COPPER CORPORATION

Per: "Gregory Hahn"
Authorized Signing Officer

SCHEDULE “A”

TERM SHEET CONSTELLATION COPPER CORPORATION OFFERING OF CONVERTIBLE UNSECURED SENIOR DEBENTURES

ISSUER:	Constellation Copper Corporation
ISSUE:	5.50% Convertible Unsecured Senior Debentures (the “Debentures”)
AMOUNT:	\$60,000,000
OVER-ALLOTMENT OPTION:	The Issuer has granted the Underwriters an option, exercisable for a period of up to 30 days from Closing, to purchase up to an additional 15% of the Issue at the Issue Price to cover over-allotments, if any.
ISSUE PRICE:	\$1,000 per Debenture.
COUPON:	5.50% per annum from Closing, payable semi-annually on the last day of March and September of each year commencing on September 30, 2007.
MATURITY:	March 31, 2012.
CONVERSION:	The Debentures will be convertible at the holder’s option into common shares (“Shares”) of the Issuer at any time prior to the close of business on the earlier of Maturity and the business day immediately preceding the date fixed for redemption of the Debentures at a conversion price of \$1.86 (approximately 40% premium) per Share (the “Conversion Price”), being a ratio of 537.6344 Shares per \$1,000 principal amount of Debentures, subject to adjustment in certain events including dividend protection for the declaration of dividends outside of the normal course. Holders converting their Debentures will not receive accrued and unpaid interest thereon to the date of conversion. If a holder elects to convert its Debentures in connection with a Change of Control (as defined below) that occurs prior to Maturity, the holder will be entitled to receive additional Shares as a make-whole premium on conversion in certain circumstances.
SHARE PAYMENT OPTION:	Subject to any required regulatory approval and provided no event of default has occurred, the Issuer has the option, upon not more than 60 nor less than 40 days’ prior notice, to satisfy its obligations to pay on redemption or maturity, the principal amount of and premium (if any) on the Debentures, in whole or in part, by delivering “freely tradeable” Shares in Canada. Any accrued and unpaid interest will be paid in cash. In such event, payment will be satisfied by delivering for each \$100 due, that number of “freely tradeable” Shares in Canada obtained by dividing \$100 by 95% of the weighted average trading price of the Shares on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days prior to the date fixed for redemption or maturity, as the case may be.

SHARE INTEREST PAYMENT OPTION:	The Issuer may elect from time to time, subject to any required regulatory approval and provided that no event of default has occurred, to satisfy all or part of its interest payment obligations by delivering sufficient “freely tradeable” Shares in Canada to a trustee for sale, in which event holders of Debentures will be entitled to receive a cash payment equal to the interest owed, from the proceeds of the sale of the requisite number of Shares by the trustee.
CHANGE OF CONTROL:	Upon the occurrence of a change of control involving the acquisition of voting control or direction over 66 2/3% or more of the Shares (“Change of Control”), holders of the Debentures have the right to require the Issuer to repurchase their Debentures, in whole or in part, at a price equal to 101% of the principal amount of such Debentures, plus accrued and unpaid interest.
PURCHASE FOR CANCELLATION:	The Issuer will have the right at any time to purchase the Debentures in the market, by tender, or by private contract.
RANK:	Senior in right of payment of principal and interest to all subordinated obligations of the Issuer. Subordinated to the existing senior indebtedness of the Issuer which will be repaid with the proceeds of this Offering. The Issuer will not issue any unsecured bonds, debentures, notes or other capital markets debt unless all such debt by its terms is subordinate to the Debentures. The Issuer will be permitted to issue secured debt in its subsidiary entities.
USE OF PROCEEDS:	The net proceeds of the Issue will be used to repay the Company’s project finance facility, to cancel a portion or all of the associated copper price hedges and for general corporate purposes.
FORM OF OFFERING:	Public offering in all provinces of Canada by way of short form prospectus. Private placement in the United States to institutional “accredited investors” pursuant to Rule 506 of Regulation D and to “qualified institutional buyers” pursuant to Rule 144A under the United States Securities Act of 1933, as amended.
FORM OF UNDERWRITING:	Bought, subject to syndication and to a mutually acceptable underwriting agreement containing “disaster out”, “regulatory out” and “material adverse change out” clauses running to Closing.
ELIGIBILITY FOR INVESTMENT:	Eligible under the usual statutes as well as for RRSPs, RRIFs, DPSPs and RESPs.
UNDERWRITERS:	TD Securities Inc., together with a syndicate to be formed in consultation with the Issuer.
UNDERWRITING FEE:	3.50%
CLOSING:	March 12, 2007

SCHEDULE “B”

UNITED STATES OFFERS AND SALES

This is Schedule “B” to the Underwriting Agreement (the “Underwriting Agreement”) dated February 23, 2007 between Constellation Copper Corporation and TD Securities Inc., Sprott Securities Inc., GMP Securities L.P. and Wellington West Capital Markets Inc.

As used in this Schedule “B”, capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Underwriting Agreement to which this Schedule “B” is annexed and the following terms shall have the meanings indicated:

- (a) **“Directed Selling Efforts”** means directed selling efforts as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Debentures or the Debenture Shares and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Debentures;
- (b) **“Foreign Issuer”** shall have the meaning ascribed thereto in Regulation S. Without limiting the foregoing, but for greater clarity, it means any issuer that is (a) the government of any country other than the United States, of any political subdivision thereof or a national of any country other than the United States; or (b) a corporation or other organization incorporated under the laws of any country other than the United States, except an issuer meeting the following conditions: (1) more than 50 percent of the outstanding voting securities of such issuer are held of record either directly or indirectly by residents of the United States; and (2) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;
- (c) **“General Solicitation”** and **“General Advertising”** means “general solicitation” and “general advertising”, respectively, as used under Rule 502(c) of Regulation D, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, any telecommunications medium, including electronic display or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or in any other manner involving a public offering within the meaning of Section 4(2) of the U.S. Securities Act;
- (d) **“Institutional Accredited Investor”** means those institutional “accredited investors” specified in Rule 501(a)(1),(2),(3) and (7) of Regulation D;

- (e) “**Offshore Transaction**” means an “offshore transaction” as that term is defined in Regulation S;
- (f) “**Qualified Institutional Buyer**” means a “qualified institutional buyer” as that term is defined in Rule 144A;
- (g) “**Regulation D**” means Regulation D adopted by the SEC under the U.S. Securities Act;
- (h) “**Regulation S**” means Regulation S adopted by the SEC under the U.S. Securities Act;
- (i) “**Rule 144A**” means Rule 144A adopted by the SEC under the U.S. Securities Act;
- (j) “**SEC**” means the United States Securities and Exchange Commission;
- (k) “**Substantial U.S. Market Interest**” means “substantial U.S. market interest” as that term is defined in Regulation S;
- (l) “**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
- (m) “**U.S. Person**” means a “U.S. person” as that term is defined in Regulation S; and
- (n) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

A. Representations, Warranties and Covenants of the Underwriters

Each of the Underwriters and the U.S. Agent (as defined below) acknowledges that the Debentures have not been registered under the U.S. Securities Act and may be offered and sold within the United States or to, or for the account or benefit of, U.S. Persons, only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and state securities laws of any state, territory or possession of the United States (“**state securities laws**”). Accordingly, each of the Underwriters and the U.S. Agent represents, warrants and covenants to the Corporation that:

1. It has not offered and sold, and will not offer and sell, any Debentures in connection with the Offering, except (a) in an Offshore Transaction in accordance with Rule 903 of Regulation S or (b) in the United States as provided in paragraphs 2 through 10 below. Accordingly, neither the Underwriter nor any of its affiliates nor any persons acting on its or on their behalf has engaged or will engage in any Directed Selling Efforts with respect to the Debentures or the Debenture Shares.
2. It has not entered into and will not enter into any contractual arrangement with respect to

the distribution of the Debentures, except with its affiliates, the U.S. Agent (as defined herein), any selling group members or with the prior written consent of the Corporation. It shall require the U.S. Agent and each affiliate or selling group member to agree, for the benefit of the Corporation, to comply with, and shall use its best efforts to ensure that the U.S. Agent and each affiliate or selling group member complies with, the provisions of this Schedule "B" applicable to such Underwriter as if such provisions applied to such selling group member.

3. All offers and sales of Debentures in the United States shall be made through TD Securities (USA) LLC, the U.S. broker-dealer affiliate of TD Securities Inc. (the "**U.S. Agent**") in compliance with all applicable U.S. broker-dealer requirements.
4. In connection with offers and sales of Debentures in the United States or to U.S. Persons, no form of General Solicitation or General Advertising has been or will be used and all of the certificates representing Debentures or Debenture Shares will contain the legend in substantially the form as set forth in paragraph A.9(i) below.
5. Any offer, sale or solicitation of an offer to buy Debentures that has been made or will be made in the United States was or will be made only: (1) by the Underwriters or the U.S. Agent directly to Qualified Institutional Buyers in accordance with all the terms and conditions of Rule 144A and any applicable state securities laws; or (2) by the Corporation directly to Institutional Accredited Investors in transactions that are exempt from registration under Rule 506 of Regulation D and applicable state securities laws.
6. Each offeree in the United States shall be provided, prior to time of purchase of any Debentures, with a copy of a U.S. private placement offering memorandum (the "**U.S. Memorandum**"), substantially in the form of Exhibit B hereto, attached to a copy of the Final Prospectus, and no other written material will be used in connection with the offer or sale of the Debentures in the United States.
7. Immediately prior to transmitting the U.S. Memorandum, it had reasonable grounds to believe and did believe that each offeree was an Institutional Accredited Investor or a Qualified Institutional Buyer, and it had a relationship with such offerees, pre-existing the offer of the Debentures to the offeree, such that it was in a position to determine that the offeree, or beneficial purchaser, if any, for whom the offeree is acting as trustee or agent, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Debentures, i.e., that it is a sophisticated investor.
8. At least one Business Day prior to the Closing Date, the transfer agent will be provided with a list of all purchasers of the Debentures in the United States.
9. Prior to any sale of Debentures in the United States to Institutional Accredited Investors pursuant to Rule 506 of Regulation D, it shall cause each purchaser thereof (a "**U.S. Purchaser**") to represent, warrant and agree in writing to the Corporation that such U.S. Purchaser:

- (a) is authorized to consummate the purchase of the Debentures;
- (b) understands that the Debentures and the Debenture Shares have not been registered under the U.S. Securities Act or any applicable state securities laws and that the offer and sale contemplated hereby is being made in reliance on a private placement exemption to Institutional Accredited Investors;
- (c) has received a copy, for its information only, of the Final Prospectus, together with the U.S. Memorandum, and has had access to such additional information, if any, concerning the Corporation as it had considered necessary in connection with its investment decision to acquire the Debentures;
- (d) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Debentures and is able to bear the economic risks of such investment;
- (e) is an Institutional Accredited Investor or, if the Debentures are to be purchased for one or more accounts (“**investor accounts**”) for which it is acting as fiduciary or agent, each such investor account is an Institutional Accredited Investor on a like basis;
- (f) is purchasing the Debentures for its own account or for one or more investor accounts, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or other applicable securities laws;
- (g) acknowledges that it has not purchased the Debentures as a result of any General Solicitation or General Advertising;
- (h) agrees that it will not offer, sell or otherwise transfer any of the Debentures or the Debenture Shares, directly or indirectly, unless:
 - (i) the sale is to the Corporation; or
 - (ii) the sale is made outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations (provided that the Corporation may require an opinion of counsel of recognized standing in form satisfactory to the Corporation prior to such offer, sale or transfer); or
 - (iii) the sale is made pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 or Rule 144A thereunder (provided that the Corporation may require an opinion of counsel of recognized standing in form satisfactory to the Corporation prior to such offer, sale or

transfer), if available, and in compliance with any applicable state securities laws; or

- (iv) the sale is made in a transaction that does not require registration under the U.S. Securities Act or any applicable United States state laws and regulations governing the offer and sale of securities, and it has therefore furnished to the Underwriters and the Corporation an opinion of counsel of recognized standing reasonably satisfactory to the Underwriters and the Corporation to such effect;
- (i) understands and acknowledges that all certificates representing the Debentures and the Debenture Shares, as well as all certificates issued in exchange for, in substitution thereof and upon due conversion, redemption or maturity of the Debentures, shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF CONSTELLATION COPPER CORPORATION (THE "CORPORATION") THAT THE SECURITIES REPRESENTED HEREBY 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, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 OR 144A UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION, PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER U.S. SECURITIES LAWS. PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (B) OR (C) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM SATISFACTORY TO THE CORPORATION MAY BE REQUIRED BY THE CORPORATION PRIOR TO SUCH OFFER, SALE OR TRANSFER; AND IN THE CASE OF TRANSFERS PURSUANT TO (D) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM SATISFACTORY TO THE CORPORATION WILL BE REQUIRED PRIOR TO SUCH OFFER, SALE OR TRANSFER. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON THE TORONTO STOCK EXCHANGE. PROVIDED THAT THE CORPORATION IS A FOREIGN ISSUER WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT AT THE TIME OF SALE, A NEW CERTIFICATE BEARING NO LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE CORPORATION UPON DELIVERY OF THIS CERTIFICATE AND A DULY

EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE CORPORATION'S REGISTRAR AND TRANSFER AGENT AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT."

provided, that if any such securities are being sold in compliance with the requirements of Rule 904 of Regulation S and in compliance with Canadian local laws and regulations, and the Corporation is a Foreign Issuer at the time of sale, the legend may be removed by providing a declaration to the Corporation's registrar and transfer agent in the form below (or as the Corporation may prescribe from time to time):

"The undersigned (a) acknowledges that the sale of securities of Constellation Copper Corporation (the "**Corporation**") to which this declaration relates is being made in reliance on Rule 904 under 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 of the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States or to a U.S. Person and either (A) at the time the buy order was originated, the buyer was outside the United States and was not a U.S. Person, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States and was not a U.S. Person, or (B) the transaction was executed in, on or through the facilities of a "designated offshore securities market" 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 or a U.S. Person, (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 "directed selling efforts" in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purposes 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), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (6) 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."

and provided further, that, if any such securities are being sold pursuant to Rule 144 or a transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the legend may be removed by delivery to the registrar and transfer agent of the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, to the effect that such legend is no longer required under applicable requirements of the U.S.

Securities Act or state securities laws;

- (j) is, or a beneficial purchaser, if any, for whom it is acting as trustee or agent, has a relationship with the Corporation, the Underwriters or the U.S. Agent pre-existing the offer of the Debentures to it, such that the Corporation, the Underwriters or the U.S. Agent is in a position to determine that it, or a beneficial purchaser, if any, for whom it is acting as trustee or agent, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Debentures, i.e., that it is a sophisticated investor;
 - (k) consents to the Corporation making a notation on its records or giving instructions to any transfer agent of the Common Shares in order to implement the restrictions on transfer set forth and described herein;
 - (l) understands and acknowledges that the Corporation is not obligated to file and has no present intention of filing with the SEC or with any state securities administrator any registration statement in respect of resales of the Debentures in the United States;
 - (m) understands and acknowledges that the Corporation is not obligated to remain a Foreign Issuer;
 - (n) if required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, will execute, deliver and file and otherwise assist the Corporation in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Debentures; and
 - (o) understands and acknowledges that it is making the representations and warranties and agreements contained herein with the intent that they may be relied upon by the Corporation, the Underwriters and the U.S. Agent in determining its eligibility to purchase the Debentures.
10. At closing, the U.S. Agent and TD Securities Inc., on behalf of itself and each of the other Underwriters, will provide a certificate, substantially in the form of Exhibit A to this Schedule "B", relating to the manner of the offer and sale of the Debentures in the United States.

B. Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees that:

- 1. The Corporation is a Foreign Issuer with no Substantial U.S. Market Interest in the Debentures or the Debenture Shares.
- 2. The Corporation is not, and as a result of the sale of the Debentures contemplated hereby

will not be, required to be registered as an “investment company” as defined in the United States Investment Company Act of 1940, as amended.

3. Except with respect to offers and sales to Institutional Accredited Investors or Qualified Institutional Buyers in reliance upon exemptions from registration under the U.S. Securities Act, neither the Corporation nor any of its affiliates, nor any person acting on its or their behalf, has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Debentures to a person in the United States; or (B) any sale of Debentures unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States or (ii) the Corporation, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and is not a U.S. Person.
4. None of the Corporation, any of its affiliates or any person acting on its or their behalf, have made or will make any Directed Selling Efforts with respect to the Debentures.
5. None of the Corporation, any of its affiliates or any person acting on its or their behalf, have engaged in or will engage in any form of General Solicitation or General Advertising with respect to offers or sales of the Debentures in the United States.
6. The Preliminary Prospectus and the Final Prospectus (and any other material or document prepared or distributed by or on behalf of the Corporation used in connection with offers and sales of the Debentures) include, or will include, statements to the effect that the securities have not been registered under the U.S. Securities Act and may not be offered or sold in the United States or to U.S. Persons unless an exemption from the registration requirements of the U.S. Securities Act is available. Such statements have appeared, or will appear, (i) on the cover or inside cover page of the Preliminary Prospectus and the Final Prospectus; (ii) in the “Plan of Distribution” section of the Preliminary Prospectus and the Final Prospectus; and (iii) in any press release or other public statement made or issued by the Corporation or anyone acting on the Corporation’s behalf.

EXHIBIT A
TO SCHEDULE “B”
UNDERWRITER’S CERTIFICATE

In connection with the private placement in the United States of debentures (the “**Debentures**”) of Constellation Copper Corporation (the “**Corporation**”) pursuant to an underwriting agreement (the “**Underwriting Agreement**”) dated February 23, 2007 between the Corporation and the Underwriters named therein, the undersigned hereby certifies as follows:

- (i) the U.S. Agent is a duly registered broker or dealer with the United States Securities and Exchange Commission and is a member of and is in good standing with the National Association of Securities Dealers, Inc. on the date hereof;
- (ii) each offeree was provided with a copy of the confidential U.S. private placement memorandum (the “**U.S. Memorandum**”), including the Final Prospectus, and no other written material was used in connection with the offer and sale of the Debentures in the United States;
- (iii) immediately prior to transmitting the U.S. Memorandum to such offerees, we had reasonable grounds to believe and did believe that each offeree was either: (A) a qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) (a “**Qualified Institutional Buyer**”) or (B) an accredited investor as defined in Rule 501(a)(1),(2),(3) and (7) of Regulation D under the U.S. Securities Act (an “**Institutional Accredited Investor**”) and, on the date hereof, we continue to believe that each U.S. Person purchasing Debentures from us is either a Qualified Institutional Buyer or an Institutional Accredited Investor;
- (iv) no form of general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act) was used by us, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, any telecommunications medium, including electronic display or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Debentures in the United States or to U.S. Persons;
- (v) prior to any sale of the Debentures to Institutional Accredited Investors pursuant to Rule 506 of Regulation D under the U.S. Securities Act in the United States, we caused each U.S. Purchaser to sign a U.S. Subscription Agreement containing the representations and warranties to, and agreements with, the Corporation set forth in paragraph A.9 of Schedule “B” to the Underwriting Agreement;
- (vi) all offers and sales of the Debentures in the United States have been conducted by us in accordance with applicable U.S. broker-dealer requirements and in accordance with the terms of the Underwriting Agreement; and

- (vii) all offers and sales of the Debentures in the United States directly to Qualified Institutional Buyers have been conducted by us in accordance with all the terms and conditions of Rule 144A under the U.S. Securities Act and any applicable state securities laws.

Dated this ___ day of March, 2007.

TD SECURITIES INC.

TD SECURITIES (USA) LLC

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer

**EXHIBIT B
TO SCHEDULE "B"
UNDERWRITER'S CERTIFICATE**

U.S. PRIVATE PLACEMENT MEMORANDUM

STRICTLY CONFIDENTIAL

Dated March ●, 2007

New Issue

**CONSTELLATION COPPER CORPORATION
Cdn.\$60,000,000
Convertible Unsecured Senior Debentures**

The offering in the United States of 5.5% convertible unsecured senior debentures (the "Debentures") of Constellation Copper Corporation (the "Corporation") is being made to a limited number of investors in the United States as part of the offering of Cdn.\$60,000,000 aggregate principal amount of Debentures described in the accompanying Final Canadian Prospectus (as defined below) being made primarily in Canada. The Corporation has granted the underwriters named in the accompanying Final Canadian Prospectus (the "Underwriters") an option to purchase up to an additional Cdn.\$9,000,000 aggregate principal amount of Debentures at the Offering Price during the 30-day period following the closing of the offering.

Offering Price: Cdn.\$1,000 per Debenture

THE DEBENTURES AND THE SHARES OF COMMON STOCK OF THE CORPORATION ISSUABLE UPON CONVERSION, REDEMPTION OR MATURITY THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED OR SOLD OUTSIDE THE UNITED STATES EXCEPT IN COMPLIANCE WITH RULE 903 OF REGULATION S UNDER THE U.S. SECURITIES ACT, OR WITHIN THE UNITED STATES EXCEPT: TO (A) QUALIFIED INSTITUTIONAL BUYERS (AS THAT TERM IS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A")) IN ACCORDANCE WITH ALL THE TERMS AND CONDITIONS OF RULE 144A AND ANY APPLICABLE STATE SECURITIES LAWS; OR (B) TO INSTITUTIONAL ACCREDITED INVESTORS (AS DEFINED IN RULE 501(a) (1), (2), (3) OR (7) OF REGULATION D UNDER THE U.S. SECURITIES ACT) IN RELIANCE ON THE APPLICABLE EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

Details of the U.S. Placement

The Debentures are being offered in the United States (the "U.S. Placement") only: (1) by the Underwriters directly to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act ("Qualified Institutional Buyers") in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act and all applicable state securities laws ("Rule 144A"); or (2) for sale by Constellation to certain "institutional accredited investors" as defined in Rule 501(a)(1),(2),(3) and (7) of Regulation D under the U.S. Securities Act

("Institutional Accredited Investors"), provided that such offers and such sales are made only in accordance with the exemption from registration provided by Rule 506 of Regulation D under the U.S. Securities Act.

For certain restrictions on the resale or transfer of the Debentures and the shares of common stock of the Corporation issuable upon conversion, redemption or maturity thereof acquired in the U.S. Placement, see "Transfer Restrictions" herein.

For information concerning the Debentures being offered in the U.S. Placement, see "Plan of Distribution" and "Description of the Debentures" in the accompanying Final Canadian Prospectus.

Investing in the Debentures involves risks. See "Risk Factors" beginning on page ● in the accompanying Final Canadian Prospectus.

The Debentures are being offered in the U.S. or to U.S. Persons (as those terms are defined in Regulation S under the U.S. Securities Act) either: (1) by the Underwriters or the U.S. Agent (as defined below) directly to Qualified Institutional Buyers in accordance with all the terms and conditions of Rule 144A; or (2) by the Company directly to Institutional Accredited Investors where the Underwriters or the U.S. Agent have acted as agent to arrange for substituted purchasers in transactions that are exempt from registration under Rule 506 promulgated under the U.S. Securities Act and applicable state securities laws. TD Securities (USA) LLC, the U.S. broker-dealer affiliate of TD Securities Inc. (the "U.S. Agent") will offer the Debentures in accordance with Rule 144A or act as agent to arrange for substituted purchasers in transactions that are exempt from registration under Rule 506 of Regulation D under the U.S. Securities Act in the U.S. or to U.S. Persons in accordance with the underwriting agreement referred to under "Plan of Distribution" in the accompanying Final Canadian Prospectus. See "Plan of Distribution" in the accompanying Final Canadian Prospectus.

This final U.S. private placement memorandum (the "Final Memorandum") is strictly confidential and has been prepared solely for use in connection with the proposed Rule 144A exempt sales or the proposed private placement of the Debentures described herein. The Corporation and the U.S. Agent reserve the right to reject any offer to purchase Debentures, in whole or in part, for any reason, or to sell less than the number of Debentures offered hereby. This Final Memorandum, which includes the accompanying Final Canadian Prospectus (including the documents incorporated therein by reference), is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Debentures. Distribution of this Final Memorandum to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of any of its contents without the prior written consent of the Corporation is prohibited. By accepting delivery of this Final Memorandum, each prospective purchaser agrees to the foregoing and further agrees to make no photocopies of this Final Memorandum or any documents attached hereto.

No representation or warranty, express or implied, is made as to the accuracy or completeness of the information set out herein, in the Final Canadian Prospectus or in any other written or oral communication transmitted or made available to an offeree, and each of them expressly disclaims any and all liability based on such information or omissions therefrom. Nothing contained in this Final Memorandum is, or shall be relied upon as, a promise or representation, whether as to the past or future. No dealer, salesman or any other person has been authorized by the Corporation, any Underwriter or the U.S. Agent to give any information other than this Final Memorandum and the Final Canadian Prospectus or to make any representations in connection with the issue or sale of the Debentures and, if given or made, any such information or representation must not be relied upon as having been authorized by the Corporation, any Underwriter or the U.S. Agent. The Underwriters and the U.S. Agent have not independently verified any of such information and do not assume any responsibility for its accuracy or

completeness. This Final Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Debentures offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. Neither the delivery of this Final Memorandum and the accompanying Final Canadian Prospectus nor any sale made hereunder shall under any circumstances constitute a representation or imply that the information set forth or incorporated by reference herein and the accompanying Final Canadian Prospectus is correct as of any date subsequent to the date hereof. Each offeree, prior to purchasing any Debentures, should perform its own investigation and analysis of the Corporation and the terms of the offering of the Debentures.

Each person receiving this Final Memorandum acknowledges that (i) such person has not relied on the Underwriters or any of their affiliates in connection with (a) its investigation of the accuracy of this Final Memorandum or the accompanying Final Canadian Prospectus or (b) its investment decisions and (ii) no person is authorized in connection with any offering made hereby to give any information or make any representation other than as contained in this Final Memorandum and the accompanying Final Canadian Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Corporation, the Underwriters or the U.S. Agent.

This Final Memorandum does not provide any information with respect to the United States federal income tax consequences of the purchase, ownership or disposition of the Debentures or the shares of common stock of the Corporation issuable upon conversion, redemption or maturity thereof. In making an investment decision, investors must rely on their own examination of the Corporation and the terms of the offering, including the merits and risks involved. The Corporation, the Underwriters and the U.S. Agent are not providing, or shall not be deemed to have provided, investors with legal, business or tax advice in this Final Memorandum. Each investor should consult with such investor's own advisors as needed to provide legal, business or tax advice and to assist such investor in making an investment decision.

The Debentures have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

Except where otherwise indicated, all dollar figures in this Final Memorandum and in the accompanying Final Canadian Prospectus are expressed in Canadian dollars. On March ●, 2007, the rate of exchange of the Canadian dollar, expressed in U.S. dollars, based on the noon buying rate in The City of New York for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York was U.S. \$1.00 = Cdn.\$●.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that (i) the Corporation is incorporated under and governed by the laws of Canada, and (ii) the Underwriters named in the accompanying Final Canadian Prospectus are residents of Canada.

The financial statements and other financial information of the Corporation contained and incorporated by reference in the accompanying Final Canadian Prospectus have been prepared in accordance with Canadian generally accepted accounting principles which differ in some respects from United States generally accepted accounting principles and thus may not be comparable to financial statements of United States companies.

Prospective investors should be aware that the acquisition of the Debentures described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are

residents in, or citizens of, the United States are not described herein.

IN CONNECTION WITH THIS OFFERING AND IN ACCORDANCE WITH APPLICABLE CANADIAN SECURITIES REGULATORY POLICIES AND UNIVERSAL MARKET INTEGRITY RULES, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE DEBENTURES AT LEVELS OTHER THAN THOSE WHICH MIGHT OTHERWISE PREVAIL ON THE OPEN MARKET. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Incorporation of Certain Documents by Reference and Available Information

This Final Memorandum is accompanied by the Corporation's Final Canadian Short Form Prospectus dated March •, 2007, which has been filed by the Corporation with the securities commissions in each of the provinces of Canada for the purpose of qualifying the Debentures for sale in Canada (such prospectus, together with the documents incorporated by reference therein, the "Final Canadian Prospectus"). The Final Canadian Prospectus is incorporated by reference herein, and this Final Memorandum is qualified in its entirety by the more detailed information contained in and incorporated by reference in the Final Canadian Prospectus.

Transfer Restrictions

The Debentures and the shares of common stock of the Corporation issuable upon conversion, redemption or maturity thereof have not been registered under the U.S. Securities Act and the Debentures and the shares of common stock of the Corporation issuable upon conversion, redemption or maturity thereof may not be offered or sold within the United States except (1) to Qualified Institutional Buyers; provided that such offers and such sales are made only in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144A; or (2) for sale by the Corporation to certain Institutional Accredited Investors; provided that such offers and such sales are made in accordance with the private placement exemption from registration provided by Rule 506 of Regulation D under the U.S. Securities Act. Each investor in the United States who is purchasing Debentures will, prior to its purchase of Debentures, be required to sign and deliver a subscription agreement substantially in the form of Exhibit A hereto in which it will agree to certain restrictions on the transfer of the Debentures and the shares of common stock of the Corporation issuable upon conversion, redemption or maturity thereof. In addition, the certificates representing all of the Debentures offered and sold in the U.S. and the shares of common stock of the Corporation issuable upon conversion, redemption or maturity of such Debentures will contain a prominent legend in the following form:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF CONSTELLATION COPPER CORPORATION (THE "CORPORATION") THAT THE SECURITIES REPRESENTED HEREBY 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, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 OR 144A UNDER THE U.S. SECURITIES ACT, IF

APPLICABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION, PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER U.S. SECURITIES LAWS. PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (B) OR (C) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM SATISFACTORY TO THE CORPORATION MAY BE REQUIRED BY THE CORPORATION PRIOR TO SUCH OFFER, SALE OR TRANSFER; AND IN THE CASE OF TRANSFERS PURSUANT TO (D) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM SATISFACTORY TO THE CORPORATION WILL BE REQUIRED PRIOR TO SUCH OFFER, SALE OR TRANSFER. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON THE TORONTO STOCK EXCHANGE. PROVIDED THAT THE CORPORATION IS A FOREIGN ISSUER WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT AT THE TIME OF SALE, A NEW CERTIFICATE BEARING NO LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE CORPORATION UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE CORPORATION'S REGISTRAR AND TRANSFER AGENT AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT."

provided, that if any such securities are being sold in compliance with the requirements of Rule 904 of Regulation S and in compliance with Canadian local laws and regulations, and the Corporation is a Foreign Issuer at the time of sale, the legend may be removed by providing a declaration to the Corporation's registrar and transfer agent in such form as the Corporation may prescribe from time to time.

Legal Matters

Certain legal matters in connection with the offering of the Debentures in the United States will be passed upon by Solomon Pearl Blum Heymann & Stich LLP.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE STATE OF NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR

QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

FORM OF U.S. SUBSCRIPTION AGREEMENT

_____, 2007

U.S. Subscription Agreement

TD Securities (USA) LLC

-and-

Constellation Copper Corporation
3900 S. Wadsworth Blvd., Suite 495
Lakewood, Colorado 80235

Attention: Mr. Gregory A. Hahn, President and Chief Executive Officer

Re: Purchase of Debentures of Constellation Copper Corporation.

Ladies and Gentlemen:

In connection with its agreement to purchase 5.5% convertible unsecured senior debentures (“Debentures”) of Constellation Copper Corporation (the “Corporation”), the undersigned represents, warrants and covenants to you as follows:

- (a) it is authorized to consummate the purchase of the Debentures;
- (b) it understands that the Debentures and the shares of common stock of the Corporation issuable upon conversion, redemption or maturity thereof (the “Debt Shares”) have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any applicable state securities laws and that the offer and sale of Debentures to it is being made in reliance on a private placement exemption to institutional “accredited investors” (as such term is defined on Annex A hereto, “Institutional Accredited Investors”);
- (c) it has received a copy, for its information only, of the Final Canadian Short Form Prospectus, together with a U.S. placement memorandum, relating to the offering in the United States of the Debentures, and it has had access to such additional information, if any, concerning the Corporation as it has considered necessary in connection with its investment decision to acquire the Debentures;
- (d) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Debentures and is able to bear the economic risks of such investment;
- (e) it is an Institutional Accredited Investor or, if the Debentures are to be purchased for one or more accounts (“investor accounts”) for which it is acting as fiduciary or agent, each such investor account is an Institutional Accredited Investor on a like basis;

- (f) it is purchasing the Debentures for its own account or for one or more investor accounts, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or other applicable securities laws;
- (g) it acknowledges that it has not purchased the Debentures as a result of any general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act);
- (h) it agrees that it will not offer, sell or otherwise transfer any of the Debentures or the Debenture Shares, directly or indirectly, unless: (i) the sale is to the Corporation, (ii) the sale is made outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations (provided that the Corporation may require an opinion of counsel of recognized standing in form satisfactory to the Corporation prior to such offer, sale or transfer); (iii) the sale is made pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 or Rule 144A thereunder (provided that the Corporation may require an opinion of counsel of recognized standing in form satisfactory to the Corporation prior to such offer, sale or transfer), if available, and in compliance with any applicable state securities laws; or (iv) the sale is made in a transaction that does not require registration under the U.S. Securities Act or any applicable United States state laws and regulations governing the offer and sale of securities, and it has therefore furnished to the Underwriters and the Corporation an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Underwriters and the Corporation to such effect;
- (i) it understands and acknowledges that all certificates representing the Debentures and the Debenture Shares, as well as all certificates issued in exchange for, in substitution thereof or upon due conversion of the Debentures, shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF CONSTELLATION COPPER CORPORATION (THE “CORPORATION”) THAT THE SECURITIES REPRESENTED HEREBY 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, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 OR RULE 144A UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION, PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER U.S. SECURITIES LAWS. PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (B) OR (C) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM SATISFACTORY TO THE CORPORATION MAY BE REQUIRED BY THE CORPORATION PRIOR TO SUCH OFFER, SALE OR TRANSFER; AND IN THE CASE OF TRANSFERS PURSUANT TO (D) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM SATISFACTORY TO THE CORPORATION WILL BE REQUIRED PRIOR TO SUCH OFFER, SALE OR TRANSFER. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON THE TORONTO STOCK EXCHANGE. PROVIDED THAT THE CORPORATION IS A FOREIGN ISSUER WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT AT THE TIME OF SALE, A NEW CERTIFICATE BEARING NO LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE CORPORATION

UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE CORPORATION'S REGISTRAR AND TRANSFER AGENT AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.”;

provided, that if any such securities are being sold in compliance with the requirements of Rule 904 of Regulation S and in compliance with Canadian local laws and regulations, and the Corporation is a Foreign Issuer, under paragraph (h)(ii) above, and provided that the Corporation is a Foreign Issuer within the meaning of Regulation S at the time of sale, the legend may be removed by providing a declaration to the Corporation's registrar and transfer agent to the effect set forth in Annex B hereto (or as the Corporation may prescribe from time to time); and provided further, that, if any such securities are being sold pursuant to Rule 144 or a transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the legend may be removed by delivery to the registrar and transfer agent of the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

- (j) it, or a beneficial purchaser, if any, for whom it is acting as trustee or agent, has a relationship with the Corporation, the Underwriters or the U.S. Agent pre-existing the offer of the Debentures to it, such that the Corporation, the Underwriters or the U.S. Agent is in a position to determine that it, or a beneficial purchaser, if any, for whom it is acting as trustee or agent, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Debentures, i.e. that it is a sophisticated investor;
- (k) it consents to the Corporation making a notation on its records or giving instructions to any transfer agent of the Common Shares in order to implement the restrictions on transfer set forth and described herein;
- (l) it understands and acknowledges that the Corporation is not obligated to file and has no present intention of filing with the U.S. Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of the Debentures or the Debenture Shares in the United States;
- (m) it understands and acknowledges that the Corporation is not obligated to remain a “foreign issuer” within the meaning of Regulation S under the U.S. Securities Act;
- (n) if required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver and file and otherwise assist the Corporation in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Debentures; and
- (o) it understands and acknowledges that it is making the representations and warranties and agreements contained herein with the intent that they may be relied upon by the Corporation, the Underwriters and the U.S. Agent in determining its eligibility to purchase the Debentures.

By this agreement the undersigned represents and warrants that the foregoing representations and warranties are true at the closing time with the same force and effect as if they had been made by it at the closing time and that they shall survive the purchase by it of the Debentures and shall continue in full force and effect notwithstanding any subsequent disposition by the undersigned of the Debentures.

You are irrevocably authorized to produce this agreement or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Registration of the certificate(s) representing the Debentures should be made as follows (if space is insufficient, attach a list):

Name: _____
Address: _____

Number of Debentures
Purchased: _____
Total Purchase Price: _____

A certified cheque or bank draft in the amount set forth above accompanies this completed agreement.

The certificate(s) representing the Debentures should:

* ☐ be mailed by registered mail to the registered holder(s) at the address set forth above; or

* ☐ be made available to be picked up at the principal office of the Corporation's Registrar and Transfer Agent in the City of Vancouver, British Columbia.

*Please check one box, failing which such certificate will be mailed by registered mail to the registered holder(s) as described above.

Dated: _____

Name of U.S. Purchaser

By: _____

Name:

Title:

ANNEX A

DEFINITION OF INSTITUTIONAL ACCREDITED INVESTOR

“Institutional Accredited Investor” means any entity which comes within any of the following categories:

- (1) Any bank as defined in Section 3(a)(2) of the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees if such plan has total assets in excess of US\$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US\$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors (as such term is defined in Rule 501(a) of Regulation D);
- (2) Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
- (3) Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US\$5,000,000; or
- (4) Any trust with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment).

ANNEX B

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: PACIFIC CORPORATE TRUST COMPANY
as registrar and transfer agent
for Common Shares of
CONSTELLATION COPPER CORPORATION
c/o Pacific Corporate Trust Company
510 Burrard Street, 2nd Floor
Vancouver, BC
V6C 3B9 Canada

The undersigned (a) acknowledges that the sale of the securities of CONSTELLATION COPPER CORPORATION (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 or to a "U.S. person" and either (A) at the time the buy order was originated, the buyer was outside the United States and was not a U.S. person, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States and was not a U.S. person, or (B) the transaction was executed in, on or through the facilities of a "designated offshore securities market" 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 or a U.S. person, (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), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, 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.

Dated: _____

Name of Seller

By: _____
Name:
Title:

SCHEDULE “C”

DETAILS OF OUTSTANDING CONVERTIBLE SECURITIES AS OF FEBRUARY 23, 2007

6,935,732 options to purchase Common Shares exercisable at prices ranging from \$0.75 to \$2.43 per share with expiry dates ranging from June 21, 2007 to November 7, 2011.

There is an agreement to issue approximately 1.2 million common share purchase warrants on the basis of a five day weighted average trading price which will be exercisable at the same price. The term of these warrants has not yet been settled but will be no longer than five years.