

The securities to which this Agreement relate have not been registered under the United States Securities Act of 1933, as amended, or any State securities laws, and such securities may not be offered, sold or resold in the United States of America or to U.S. Persons (as defined herein) without registration under such Act and applicable State securities laws, unless an exemption from registration is available.

PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT
(Units – ‘Flow-Through’ Shares & non ‘Flow-Through’ Warrants)

To: SOLOMON RESOURCES LIMITED (the “Company”)

Re: Subscription for Securities of the Company

Details of Subscription: The undersigned (the “Subscriber”) hereby irrevocably subscribes for and agrees to purchase from the Company, on the terms and conditions set forth herein and in the attached schedules, that number of units of the Company (“Units” or “Securities”) set out below at a price of C\$ 0.10 per Unit. Each Unit shall consist of one ‘flow through’ common share of the Company (a “Share”) and one non-transferable common share purchase warrant (a “Warrant”). Each Warrant shall entitle the Subscriber to purchase one (non ‘flow-through’) common share of the Company (a “Warrant Share”) for one year at a price of C\$ 0.15

If, after the four month anniversary of the issuance of the Warrants, the closing price of the Shares on the TSX Venture Exchange for 20 consecutive trading days (or the average of the ‘bid’ and ‘ask’ prices if not traded) equals or exceeds C\$ 0.25 per Share, the Company may give, within five trading days thereof, notice to the Subscriber that the Warrants must be exercised within 25 trading days of receipt of such notice (deemed to be the second trading day after the notice is mailed and a news release announcing the new expiry date is issued) or the Warrants will terminate.

The Units subscribed for in this Agreement form part of a larger private placement (the “Private Placement”) of an aggregate of up to 2,500,000 Units for proceeds of up to C\$ 250,000 and a concurrent private placement of up to 1,333,333 (non ‘flow-through’) Units at \$0.075 each for proceeds of up to approximately C\$ 100,000. The Company, in its sole discretion, may increase or decrease the number of Units sold in the Private Placement and the concurrent private placement.

Number Subscribed for: _____ Units
Minimum subscription is 10,000 Units *

Total Subscription Amount: C\$ _____ (C\$ 0.10 per Unit)
Minimum subscription is C\$ 1,000 *

* Minimum subscription if the Subscriber is (i) an accredited investor, (ii) a relative, close personal friend (except in Ontario) or close business associate (except in Ontario) of a director or executive officer of the Company, or (iii) a director, executive officer or employee of the Company, otherwise, the minimum subscription is C\$ 150,000.

The Company and its legal counsel are authorized to release such funds, together with any accrued interest, upon the Closing (as defined herein) of the Private Placement.

Name of Subscriber: _____

Address: _____
Street Address

City

Province _____ Postal Code _____

Telephone Number _____

e-mail Address _____

SIN / BIN:

Social Insurance / Business Identification Number

If the Subscriber is subscribing as agent on behalf of certain principals (and not for its own account or accounts fully managed (as defined herein) by it), each such principal is described below:

<p>Name: _____</p> <p>Address: _____ Street Address</p> <p>_____</p> <p>City</p> <p>_____</p> <p>Province Postal Code</p> <p>_____</p> <p>Country</p>	<p>Name: _____</p> <p>Address: _____ Street Address</p> <p>_____</p> <p>City</p> <p>_____</p> <p>Province Postal Code</p> <p>_____</p> <p>Country</p>
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Other Shares owned:

_____ Required by Exchange. If none, insert a zero.

Corporate name of any Finder or Broker responsible for this subscription: _____

Is the Subscriber a Portfolio Manager? Yes _____ No _____

If 'Yes', where does Subscriber carry on business: _____

A Portfolio Manager is an adviser who manages the investment portfolio of clients through discretionary authority.

Is the Subscriber a member of the Pro Group? Yes _____ No _____

The Pro Group consists of Members (brokerage firms) of the TSX Venture Exchange, an employee, partner, officer, director or an 'affiliate' (a company controlling or under common control) of a Member or an 'associate' (a spouse or child of such person, a relative of such person or their spouse living in the same home as such person, a company of which more than 10% of the voting shares are owned or controlled by such person, a partner of such person, or a trust or estate of which a substantial beneficial interest is owned or of which such person is a trustee) of any of the foregoing.

If the Subscriber is a corporation, partnership, trust or other legal entity has it filed a Corporate Placee Registration Form (Form 4C) with the

TSX Venture Exchange and is the information in that Form still accurate? Yes _____ No _____

If 'No', a new Corporate Placee Registration Form in the form attached must be completed.

<p>Register Securities: <input type="checkbox"/> Same as Subscriber; or <input type="checkbox"/> As follows:</p> <p>Name: _____ _____ _____</p> <p>Address: _____ Street Address</p> <p>_____</p> <p>City</p> <p>_____</p> <p>Province Postal Code</p> <p>_____</p> <p>Country</p>	<p>Deliver Securities: <input type="checkbox"/> Same as Subscriber; or <input type="checkbox"/> As follows:</p> <p>Name: _____</p> <p>Attn: _____</p> <p>Phone: _____</p> <p>Address: _____ Street Address</p> <p>_____</p> <p>City</p> <p>_____</p> <p>Province Postal Code</p> <p>_____</p> <p>Country</p>
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IN WITNESS WHEREOF the Subscriber has executed, or caused its duly authorized representative to execute, this Agreement the _____ day of _____, 2011

Sign here if Subscriber is an **individual**:

Sign here if Subscriber is **not an individual**:

Signature of Subscriber

Name of Subscriber (corporation, LLC, LP, etc.)

Name of Subscriber

Per: _____

Signature of authorized representative

Name & Title of Authorized Representative

The Subscriber must also complete and sign

- **Schedule I (Accredited Investor Confirmation), if the Subscriber is an accredited investor and subscribing for less than C\$ 150,000.**
- **Schedule II (Confirmation of Relationship – not Accredited, except Ontario), if the Subscriber is not an accredited investor nor subscribing for at least C\$150,000, but is a director, executive officer, employee, control person or founder of the Company or a close personal friend, close business associate, spouse, parent, grandparent, sibling or child (or a parent, grandparent, sibling or child of a spouse) of a director, executive officer, control person or founder of the Company and is not resident in Ontario.**
- **Schedule III (Confirmation of Relationship – not Accredited, Ontario Subscribers), if the Subscriber is not an accredited investor nor subscribing for at least C\$150,000, but is a founder or control person of the Company or a spouse, parent, grandparent, sibling or child of an executive officer, director or founder of the Company and is resident in Ontario.**

- **Schedule IV (TSX Venture Exchange Form 4C – Corporate Placee Registration Form), if the Subscriber is a corporation, partnership, trust or other legal entity and does not have a current Corporate Placee Registration Form filed with the Exchange.**
- **Schedule V (Risk Acknowledgment – Unregistered Finder), if the Subscriber is resident in British Columbia, Alberta, Saskatchewan, Manitoba, Yukon Territory, Northwest Territories or Nunavut and an unregistered Finder introduced the Subscriber to the Company.**

A signed copy of this Agreement (including the applicable schedules with the applicable sections initialled) together with payment of the ‘Total Subscription Amount’ set out on the first page by money order, certified cheque, bank draft or wire transfer (wire transfer instructions are set out on Schedule VI) payable to ‘Northwest Law Group, in trust’ must be delivered to the Company’s legal counsel at the following address:

**NORTHWEST LAW GROUP
Barristers & Solicitors
Suite 950, Scotia Tower
650 West Georgia Street
Vancouver, British Columbia V6B 4N8**

Attention: Michael F. Provenzano

e-mail: mfprovenzano@telus.net
fax: (+1) 604-687-6650

ACCEPTANCE

The foregoing is accepted and agreed to as of the ____ day of _____, 2011

SOLOMON RESOURCES LIMITED

Per: _____
Authorized Signatory

SCHEDULE I

ACCREDITED INVESTOR CONFIRMATION

(For a Subscriber that is an accredited investor and subscribing for less than C\$150,000)

The Subscriber represents and warrants for itself or, if applicable, on behalf of the principal on whose behalf the Subscriber is subscribing as its agent, to the Company that the Subscriber has read the following definition of an “**accredited investor**” from National Instrument 45-106 *Prospectus and Registration Exemptions* (“**NI 45-106**”) of the Canadian Securities Administrators and certifies that the Subscriber (or such principal) is an accredited investor by virtue of falling into one or more of the categories below (words in **bold** are defined after the list) as indicated by the Subscriber’s initials beside each such category:

- _____
(initial)
- (a) A **Canadian financial institution** or a **Schedule III bank**.
- _____
(initial)
- (b) The Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada).
- _____
(initial)
- (c) A **subsidiary** of any **person** referred to in paragraphs (a) or (b), if the **person** owns all of the voting securities of the **subsidiary**, except the voting securities required by law to be owned by **directors** of that **subsidiary**.
- _____
(initial)
- (d) A **person** registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer, other than a **person** registered solely as a limited market dealer registered under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador).
- _____
(initial)
- (e) An individual registered or formerly registered under the securities legislation of a jurisdiction of Canada, as a representative of a **person** referred to in paragraph (d).
- _____
(initial)
- (f) The Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly-owned entity of the government of Canada or a jurisdiction of Canada.
- _____
(initial)
- (g) A municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l’île de Montréal or an intermunicipal management board in Québec.
- _____
(initial)
- (h) Any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government.
- _____
(initial)
- (i) A pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada.
- _____
(initial)
- (j) An individual who, either alone or jointly with a **spouse**, beneficially owns, directly or indirectly, **financial assets** [e.g. *cash and securities – see definition following*] having an aggregate realizable value that before taxes, but net of any **related liabilities**, exceeds C\$ 1,000,000.

[Note: if purchasing through a wholly-owned holding company complete (t) instead.]

- _____
(initial)
- (k) An individual whose net income before taxes exceeded C\$ 200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a **spouse** exceeded C\$ 300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year.
[Note: *if purchasing through a wholly-owned holding company complete (t) instead.*]
- _____
(initial)
- (l) An individual who, either alone or with a **spouse**, has net assets [*e.g. residence and recreational properties, automobiles, investments, etc.*] of at least C\$ 5,000,000.
[Note: *if purchasing through a wholly-owned holding company complete (t) instead.*]
- _____
(initial)
- (m) A **person**, other than an individual or **investment fund**, that has net assets of at least C\$ 5,000,000 as shown on its most recently prepared financial statements.
- _____
(initial)
- (n) An **investment fund** that distributes or has distributed its securities only to **persons** that
- (i) are or were **accredited investors** at the time of the distribution,
- (ii) acquire or have acquired securities in the circumstances referred to in sections 2.10 [*Minimum amount investment*] or 2.19 [*Additional Investment in Investment Funds*] of NI 45-106, or
- (iii) are described in (i) or (ii) that acquires or acquired securities under section 2.18 [*Investment Fund Reinvestment*] of NI 45-106.
- _____
(initial)
- (o) An **investment fund** that distributes or has distributed its securities under a prospectus in a jurisdiction in Canada for which the regulator, or in Québec, the securities regulatory authority, has issued a receipt.
- _____
(initial)
- (p) A trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a **fully managed account** managed by the trust company or trust corporation, as the case may be.
- _____
(initial)
- (q) A **person** acting on behalf of a **fully managed account** managed by that **person** if that **person**
- (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and
- (ii) in Ontario, is purchasing a security that is not a security of an **investment fund**.
- _____
(initial)
- (r) A registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an **eligibility adviser** or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded.
- _____
(initial)
- (s) An entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) and paragraph (i) in form and function.

- _____ (initial) (t) A **person** [e.g. a company or partnership – see definition below] in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by **directors**, are **persons** that are **accredited investors** under one of the categories above, namely
- [circle one or more as applicable]**
- (e) [currently or formerly registered under securities legislation],
- (j) [financial assets exceeding \$1,000,000],
- (k) [income exceeding \$200,000 (or \$300,000 with spouse) per year for last two years] or
- (l) [net assets exceeding \$5,000,000].
- _____ (initial) (u) An **investment fund** that is advised by a **person** registered as an adviser or a **person** that is exempt from registration as an adviser.
- _____ (initial) (v) A **person** that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an **accredited investor**.

For the purposes of the foregoing terms in **bold**, the following definitions apply:

“**bank**” means a bank named in Schedule I or II of the *Bank Act* (Canada).

“**Canadian financial institution**” means

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
- (b) a **bank**, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada.

“**control person**” means any **person** that holds or is one of a combination of **persons**, acting in concert by virtue of an agreement, arrangement, commitment or understanding, that holds

- (a) a sufficient number of any of the securities of an issuer so as to affect materially the **control** of the issuer, or
- (b) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the **control** of the issuer.

“**director**” means

- (a) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (b) with respect to a **person** that is not a company, an individual who performs functions similar to those of a **director** of a company.

“**eligibility adviser**” means

- (a) a **person** that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (b) in Saskatchewan or Manitoba, also means a lawyer who is a practising member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
 - (i) have a professional, business or personal relationship with the issuer, or any of its **directors, executive officers, founders, or control persons**, and
 - (ii) have acted for or been retained personally or otherwise as an employee, **executive officer, director**, associate or partner of a **person** that has acted for or been retained by the issuer or any of its **directors, executive officers, founders or control persons** within the previous 12 months.

“**executive officer**” means, for an issuer, an individual who is

- (a) a chair, vice-chair or president,
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (c) performing a policy-making function in respect of the issuer.

“**financial assets**” means

- (a) cash,
- (b) securities, or
- (c) a contract of insurance, deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.

“**founder**” means, in respect of an issuer, a **person** who,

- (a) acting alone, in conjunction, or in concert with one or more **persons**, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (b) at the time of the trade is actively involved in the business of the issuer.

“**fully managed account**” means an account for which a **person** makes the investment decisions if that **person** has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction.

“**investment fund**” means a **mutual fund** or a **non-redeemable investment fund**, and in British Columbia, includes an Employee Venture Capital Corporation and a Venture Capital Corporation.

“**mutual fund**” means

- (a) an issuer of a security that entitles the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in a part of the net assets, including a separate fund or trust account, of the issuer of the security,
- (b) an issuer designated to be a mutual fund by the securities commission or regulatory authority.

“**non-redeemable investment fund**” means an issuer:

- (a) whose primary purpose is to invest money provided by its securityholders.
- (b) that does not invest for the purpose of
 - (i) exercising or seeking to exercise effective **control** of an issuer other than an issuer which is a **mutual fund** or a **non-redeemable investment fund**, or
 - (ii) being actively involved in the management of any issuer in which it invests, other than an issuer that is a **mutual fund** or a **non-redeemable investment fund**, and
- (c) that is not a **mutual fund**.

“**person**” includes

- (a) an individual,
- (b) a corporation,
- (c) a partnership, trust, fund, and an association, syndicate, or other organized group of persons, whether incorporated or not, and
- (d) an individual or other person in that **person’s** capacity as a trustee, executor, administrator or personal or other legal representative.

“**related liabilities**” means liabilities

- (a) incurred or assumed for the purpose of financing the acquisition or ownership of **financial assets**, or
- (b) secured by **financial assets**.

“**Schedule III bank**” means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada).

“**spouse**” means an individual who

- (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

“**subsidiary**” means an issuer that is **controlled** directly or indirectly by another issuer and includes a **subsidiary** of that **subsidiary**.

In NI 45-106

- (a) an issuer is considered to be an “**affiliate**” of another issuer if one of them is the **subsidiary** of the other, or each of them is **controlled** by the same **person**.
- (b) a person (the ‘first person’) is considered to “**control**” another person (the ‘second person’) if
 - (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
 - (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
 - (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

The foregoing representations and warranties are true and accurate as of the date of this certificate and will be true and accurate as of Closing (as defined herein). If any such representations and warranties shall not be true and accurate prior to Closing, the Subscriber shall give immediate written notice of such fact to the Company.

DATED this _____ day of _____, 2011

Sign here if Subscriber is an **individual**:

Sign here if Subscriber is **not an individual**:

Signature of Subscriber

Name of Subscriber (corporation, LLC, LP, etc.)

Per:

Name of Subscriber

Signature of authorized representative

Signature of any Joint Subscriber

Name & Title of Authorized Representative

Name of any Joint Subscriber

Signature of Authorized Representative

Name & Title of Authorized Representative

SCHEDULE II

CONFIRMATION OF RELATIONSHIP – not Accredited, except Ontario

(For a Subscriber that is not an accredited investor nor subscribing for at least C\$150,000 but is a director, executive officer, control person or founder of the Company or a close personal friend, close business associate, spouse, parent, grandparent, sibling or child (or a parent, grandparent, sibling or child of a spouse) of a director, executive officer, control person or founder of the Company and is not resident in Ontario)

The Subscriber represents and warrants to the Company that the Subscriber has read the following definitions from National Instrument 45-106 *Prospectus and Registration Exemptions* of the Canadian Securities Administrators and certifies that the Subscriber has the relationship(s) to the Company or its **directors, executive officers, control persons or founders** by virtue of the Subscriber falling into one or more of the categories below (words in **bold** are defined after the list) as indicated by their initials beside each such category:

- _____
(initial)
- (a) A **director, executive officer**, employee or **control person** of the Company, or of an **affiliate** of the Company.
- _____
(initial)
- (b) A **spouse**, parent, grandparent, brother, sister or child of a **director, executive officer** or **control person** of the Company, or of an **affiliate** of the Company.
- _____
(initial)
- (c) A parent, grandparent, brother, sister or child of the **spouse** of a **director, executive officer** or **control person** of the Company, or of an **affiliate** of the Company.
- _____
(initial)
- (d) A **close personal friend** of a **director, executive officer** or **control person** of the Company, or of an **affiliate** of the Company.
- _____
(initial)
- (e) A **close business associate** of a **director, executive officer** or **control person** of the Company, or of an **affiliate** of the Company.
- _____
(initial)
- (f) A **founder** of the Company or a **spouse**, parent, grandparent, brother, sister, child, **close personal friend** or **close business associate** of a **founder** of the Company.
- _____
(initial)
- (g) A parent, grandparent, brother, sister, child of the **spouse** of a **founder** of the Company.
- _____
(initial)
- (h) A **person** [note: 'person' includes a corporation, partnership or trust, see definition in Schedule I] of which a majority of the voting securities are beneficially owned by, or a majority of the **directors** are, **persons** described in paragraphs (a) to (g).
- _____
(initial)
- (i) A trust or estate of which all of the beneficiaries or a majority of the trustees are persons or companies described in paragraphs (a) to (g).

and if any of (b) through (i) are initialled, the **director, executive officer, control person** or **founder** is:

(Print name of director, executive officer, control person or founder)

For the purposes of the foregoing terms in **bold**, the definitions in Schedule I and the following guidance apply:

“**close business associate**” is an individual who has had sufficient prior business dealings with the **director, executive officer, founder or control person** to be in a position to assess their capabilities and trustworthiness.

An individual is not a close business associate solely because the individual is a current or former client or customer.

The relationship between the individual and the **director, executive officer, founder or control person** must be direct. For example, the exemption is not available for a close business associate of a close business associate of a **director, executive officer, founder or control person**.

“**close personal friend**” is an individual, including a family member not listed above, who has known the **director, executive officer, founder or control person** for a sufficient period of time to be in a position to assess their capabilities and trustworthiness.

An individual is not a close personal friend solely because the individual is a relative, a member of the same organization, association or religious group or a current or former client or customer.

The relationship between the individual and the **director, executive officer, founder or control person** must be direct. For example, the exemption is not available for a close personal friend of a close personal friend of the **director, executive officer, founder or control person**.

The foregoing representations and warranties are true and accurate as of the date of this certificate and will be true and accurate as of Closing (as defined herein). If any such representations and warranties shall not be true and accurate prior to Closing, the Subscriber shall give immediate written notice of such fact to the Company.

DATED this _____ day of _____, 2011

Sign here if Subscriber is an **individual**:

Sign here if Subscriber is **not an individual**:

Signature of Subscriber

Name of Subscriber (corporation, LLC, LP, etc.)

Per:

Name of Subscriber

Signature of authorized representative

Signature of any Joint Subscriber

Name & Title of Authorized Representative

Name of any Joint Subscriber

Signature of Authorized Representative

Name & Title of Authorized Representative

SCHEDULE III

CONFIRMATION OF RELATIONSHIP – not Accredited, Ontario Subscribers

(For a Subscriber that is not an accredited investor nor subscribing for at least C\$150,000 but is a founder or control person of the Company or a spouse, parent, grandparent, sibling or child of an executive officer, director or founder of the Company and is resident in Ontario)

The Subscriber represents and warrants to the Company that the Subscriber has read the following definitions from National Instrument 45-106 *Prospectus and Registration Exemptions* of the Canadian Securities Administrators and certifies that the Subscriber has the relationship(s) to the Company or its **directors, executive officers, control persons** or **founders** by virtue of the Subscriber falling into one or more of the categories below (words in **bold** are defined in Schedule I) as indicated by their initials beside each such category:

- _____ (a) A **founder** of the Company.
(initial)
- _____ (b) An **affiliate** of a **founder** of the Company.
(initial)
- _____ (c) A **spouse**, parent, grandparent, brother, sister or child of a **director, executive officer** or **founder** of the Company.
(initial)
- _____ (d) A **control person** of the Company.
(initial)

and if (c) is initialled, the **director, executive officer** or **founder** is:

(Print name of director, executive officer or founder)

The foregoing representations and warranties are true and accurate as of the date of this certificate and will be true and accurate as of Closing (as defined herein). If any such representations and warranties shall not be true and accurate prior to Closing, the Subscriber shall give immediate written notice of such fact to the Company.

DATED this _____ day of _____, 2011

Name of Subscriber - please print

Authorized Signature

Official Capacity - please print

Please print name of individual whose signature appears above, if different from name of Subscriber printed above

SCHEDULE IV



CORPORATE PLACEE REGISTRATION FORM
(Form 4C)

This Form will remain on file with the Exchange and must be completed if required under section 4(b) of Part II of Form 4B [Private Placement Notice Form]. The corporation, trust, portfolio manager or other entity (the “**Placee**”) need only file it on [a] one time basis, and it will be referenced for all subsequent Private Placements in which it participates. If any of the information provided in this Form changes, the Placee must notify the Exchange prior to participating in further placements with Exchange listed issuers. If, as a result of the Private Placement, the Placee becomes an Insider of the Issuer, Insiders of the Placee are reminded that they must file a Personal Information Form (Form 2A) or, if applicable, Declaration (Form 2C1) with the Exchange.

1. Placee Information:

(a) Name: _____

(b) Complete Address:

[Street]

[City]

[Province / State]

[Postal / ZIP Code]

[Country]

(c) Jurisdiction of incorporation or creation: _____

2. (a) Is the Placee purchasing securities as a portfolio manager:

Yes _____ No _____

(b) Is the Placee carrying on business as a portfolio manager outside of Canada:

Yes _____ No _____

3. If the answer to 2(b) above was “Yes”, the Placee certifies that:

(a) it is purchasing securities of the Issuer on behalf of managed accounts for which it is making the investment decision to purchase these securities and has full discretion to purchase or sell securities for such accounts without requiring the client’s express consent to a transaction;

(b) it carries on the business of managing the investment portfolios of clients through discretionary authority granted by those clients (a “portfolio manager” business) in

_____ [insert name of jurisdiction], and it is permitted by law to carry on a portfolio manager business in that jurisdiction;

- (c) was not created solely or primarily for the purpose of purchasing securities of the Issuer;
- (d) the total asset value of the investment portfolios it manages on behalf of clients is not less than C\$ 20,000,000;
- (e) it has no reasonable grounds to believe that any of the directors, senior officers and other insiders of the Issuer and the persons that carry on investor relations activities for the Issuer has a beneficial interest in any of the managed accounts for which it is purchasing.

4. If the answer to 2(a) above was “No”, please provide the names and addresses of Control Persons of the Placee:

Name *	City	Province or State	Country

* If the Control Person is not an individual, provide the name of the individual that makes the investment decisions on behalf of the Control Person.

5. Acknowledgment - Personal Information and Securities Laws:

- (a) “**Personal Information**” means any information about an identifiable individual, and includes information contained in sections 1, 2 and 4, as applicable, of this Form.

The undersigned [Placee] hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (i) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Form; and
 - (ii) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.
- (b) The Placee acknowledges it is bound by the provisions of applicable Securities Law, including provisions concerning the filing of insider reports and reports of acquisitions.

DATED and **CERTIFIED** (if applicable), **ACKNOWLEDGED** and **AGREED**, at _____
_____ on _____, 2011

Name of Placee - please print

Authorized Signature

Official Capacity - please print

Please print name of individual whose signature appears above

THIS IS NOT A PUBLIC DOCUMENT

[Note: The Exchange's Appendix 6B provides as follows:

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including the TSX Venture Exchange (collectively referred to as "**the Exchange**") collect Personal Information in certain Forms that are submitted by the individual and/or by an Issuer or Applicant and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Issuer or Applicant,
- to consider the eligibility of the Issuer or Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Issuer, or its associates or affiliates, and includes information as to such individual's involvement with any other reporting issuers, issuers subject to a cease trade order or bankruptcy, as well as information respecting penalties, sanctions or personal bankruptcies, to which such individual has been subject, as well as any conflicts of interest that the individual may have with the Issuer,
- to detect and prevent fraud,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, the Exchange also collects additional Personal Information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The Personal Information the Exchange collects may also be disclosed:

- (a) to the agencies and organizations in the preceding paragraph, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above; and
- (b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange.

The Exchange may from time to time use third parties to process information and/or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers.]

SCHEDULE V

RISK ACKNOWLEDGMENT – UNREGISTERED FINDER

(If the Finder is not registered as a securities dealer or broker, etc.
under Canadian or foreign securities legislation
and the Subscriber is resident in British Columbia, Alberta, Saskatchewan, Manitoba,
Yukon Territory, Northwest Territories or Nunavut)

RISK ACKNOWLEDGEMENT

*Registration exemption for trades
in connection with certain prospectus-exempt distributions*

Name of Issuer: **SOLOMON RESOURCES LIMITED**

Name of Seller: _____ [*Finder's corporate name, if any*]

I acknowledge that

- the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;
- the person selling me these securities does not act for me;
- this is a risky investment and I could lose all my money; and,
- I am investing entirely at my own risk.

Date

Signature of Purchaser

Print name of Purchaser

Name of Salesperson acting on behalf of Seller [*Finder*]

Sign two copies of this document. Keep one copy for your records.

National Instrument 45-106 *Prospectus and Registration Exemptions* may require you to sign an additional risk acknowledgement form.

If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

SCHEDULE VI

WIRE TRANSFER INSTRUCTIONS

CANADIAN DOLLAR TRUST ACCOUNT

WIRE TRANSFER INSTRUCTIONS

SWIFT - CAD

Pay BNDCCAMMINT
National Bank of Canada / Banque Nationale du Canada
(International Division)
Montreal, Quebec, Canada

(BBK) Beneficiary Bank //cc 0006 14021
National Bank of Canada
National Bank Tower
555 Burrard Street
Vancouver, BC V7X 1M7 Canada

(BNF) Beneficiary /0280329
Northwest Law Group
CAD Trust
Account # 02-803-29

**(OBI) Originator
To Beneficiary Information** [As Necessary]

Details of Charges BEN

**Sender to Receiver
Information** :/phoneben/6046875792
//Accounting

SWIFT Information: National Bank of Canada Montreal BNDCCAMMINT
National Bank of Canada Vancouver BNDCCAMMVCR
Swift MT103

SCHEDULE VII

TERMS & CONDITIONS

1. Description of Securities

The securities subscribed for hereunder are units (“Units” or “Securities”), each Unit consisting of one common share of the Company (a “Share” and, collectively, the “Shares”) and one non-transferable common share purchase warrant (a “Warrant” and, collectively, the “Warrants”). Each Warrant shall entitle the Subscriber to purchase one common share of the Company (a “Warrant Share” and, collectively, the “Warrant Shares”), as presently constituted, during the period, on the terms and for the price described on the first page of this Agreement. The Shares and Warrant Shares are part of the class of shares of the Company listed for trading on the TSX Venture Exchange (the “Exchange”). The Warrants are not, and will not be, listed on the Exchange. The foregoing description of the Warrants is a summary only and is subject to the detailed provisions of the certificates representing the Warrants.

The Shares, but not the Warrant Shares, shall also have the ‘flow-through’ attributes provided by the *Income Tax Act* (Canada) as described on the first page and in Schedule VIII of this Agreement.

2. Restrictions on Resale of Securities

The Securities and Warrant Shares will be subject to a four month restricted resale (hold) period in Canada imposed by National Instrument 45-102 *Resale of Securities* of the Canadian Securities Administrators (the “Resale Instrument”), and possibly to a concurrent restricted resale (hold) period imposed by the Exchange, during which they may be resold only in compliance with the Resale Instrument and the Exchange’s policies. Such restricted resale period will expire at 11:59 p.m. on the four month anniversary of the Closing Date (as defined in paragraph 6). **The Securities and Warrant Shares will also be subject to additional resale restrictions in the United States described below. The Subscriber is advised to consult its own legal adviser in connection with any applicable resale restrictions.** Notwithstanding the expiry of such resale restrictions, the Warrants will remain non-transferable.

3. Payment of Total Subscription Amount

The Total Subscription Amount set out on the first page of this Agreement is hereby paid, or will be paid on or before the Closing Date, to the Company. The Total Subscription Amount shall be allocated between the Shares and Warrants on the basis of C\$ 1.00 to all of the Warrants and the balance to the Shares.

4. Other Documents Required

The Subscriber must complete, sign and deliver to the Company’s legal counsel, as soon as possible after being requested therefor and within any applicable time limits, such further documents, questionnaires, notices and undertakings as may be required by regulatory authorities, stock exchanges and applicable law and will assist the Company with the preparation and filing thereof. The Company will file with the Exchange any Corporate Placee Registration Forms of Subscribers whose subscriptions are accepted.

5. Partial Acceptance or Rejection of Subscription

The Company may accept or reject, in its absolute discretion, the Subscriber's subscription for Securities as set forth in this Agreement, in whole or in part, and reserves the right to allot to the Subscriber less than the amount of Securities subscribed for under this Agreement. If such subscription is:

- (a) rejected in whole, any funds, certified cheque, money order, bank draft or other forms of payment delivered by the Subscriber to the Company on account of the Total Subscription

Amount for the Securities subscribed for will be promptly returned to the Subscriber without interest; or

- (b) accepted only in part, payment representing the amount by which the payment delivered by the Subscriber to the Company exceeds the Total Subscription Amount for the number of Securities sold to the Subscriber pursuant to a partial acceptance of such subscription will be promptly delivered to the Subscriber without interest.

6. Closing

Delivery of and payment for the Securities (the “**Closing**”) will be completed at the offices of the Company’s legal counsel as set out before at 10:00 a.m. (Vancouver time) on the third business day (the “**Closing Date**”) after the later of that day on which all conditions to the closing of the Private Placement, including receipt of approval from the Exchange, have been met and the Company has received sufficient subscriptions to complete the Private Placement. If the Closing does not occur within 75 days of the date hereof, the Company will, on the Subscriber’s request, return all funds advanced by the Subscriber for the Total Subscription Amount to the Subscriber without interest or deduction.

On the Closing Date, certificates representing the Securities will be sent to the Subscriber against payment to the Company of the Total Subscription Amount in Canadian funds for the Securities sold to the Subscriber.

The Subscriber hereby irrevocably directs the Company’s legal counsel to release to the Company from trust and the Company to release from escrow, as applicable, upon the completion of the Closing, any of the Total Subscription Amount and interest thereon held by either of them.

7. Acknowledgements of Subscriber

The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each principal for which it is acting as an agent) that:

- (a) this subscription is subject to rejection or reduction by the Company, in whole or in part, at any time prior to the Closing;
- (b) the Securities are being offered for sale only on a ‘private placement’ basis and the Company has advised the Subscriber that the Company is relying on exemptions (and such sales are conditional upon the existence of such exemptions or the receipt of such orders, consents and approvals as are necessary to make such sales exempt) from the requirements to provide the Subscriber with a prospectus or offering memorandum and to sell securities through a person registered to sell securities under applicable Canadian securities legislation (together with the respective regulations, rules, policies, instruments and orders thereunder, the “**Canadian Securities Legislation**”) and, as a consequence of acquiring the Securities pursuant to these exemptions
 - (i) certain protections, rights and remedies provided by such securities legislation, including statutory rights of rescission or damages, will not be available to the Subscriber,
 - (ii) information that would otherwise be provided to the Subscriber under such securities legislation will not be provided to it, and
 - (iii) the Company is relieved from various obligations under such securities legislation

that would otherwise apply to it;

- (c) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Securities;
- (d) there is no government or other insurance covering the Securities;
- (e) there are risks associated with the purchase of the Securities;
- (f) there are restrictions on the Subscriber's ability to resell the Securities and Warrant Shares and
 - (i) it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Securities, and Warrant Shares,
 - (ii) it may not be possible to liquidate the Subscriber's investment readily in case of any emergency, and
 - (iii) pursuant to the Resale Instrument and any applicable policy of the Exchange, the Securities and Warrant Shares will be subject to restrictions on transfer for four months from the Closing Date and legend(s) will be placed upon the certificates representing such securities to that effect;
- (g) the certificates representing any of the Securities and Warrant Shares (and all certificates issued in exchange therefor or in substitution thereof) shall bear, upon the issuance thereof, and until such time as no longer required under the Resale Instrument or Exchange policy, the following legend:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ●. *[Date will be the first day after the four month anniversary of Closing]*

and, if required by the Exchange's policies, the following legend:

WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE *[and for the Warrants: AND ANY SECURITIES ISSUED ON THE EXERCISE OF SUCH SECURITIES]* MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●. *[Date will be the first day after the four month anniversary of Closing]*

- (h) the Warrants are not, and will not be, listed or traded on any stock exchange or quoted on any trade or other securities quotation or reporting system;
- (i) there may be material tax or legal consequences to the Subscriber of the acquisition or disposition of any of the Securities, or the exercise of the Warrants and disposition of

Warrant Shares, the Company is not giving any opinion nor making any representation to the Subscriber with respect to the tax or legal consequences thereof, the Subscriber is solely responsible for obtaining such legal, tax and other advice as is appropriate in connection with this Agreement and the transactions contemplated hereunder and the Company's legal counsel is acting solely for the Company in connection with the Private Placement and the Subscriber may not rely upon such counsel in connection with the Private Placement;

- (j) the Company has not provided any offering memorandum, prospectus, disclosure statement, registration statement or similar documents to the Subscriber;
- (k) the Subscriber is aware that information filed by the Company with the various Canadian securities commissions, including the Company's most recent audited annual and unaudited interim financial statements (collectively the "**Financial Statements**"), is available on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com (together with the Company's website, excluding any third party information thereon or connected thereto, the "**Public Record**");
- (l) neither the Company nor any other person has made any oral or written representation that any person will re-sell or re-purchase the Securities, or refund any of the purchase price of the Securities, or that the Securities or Warrant Shares will be listed on any exchange or quoted on any quotation and trade reporting system, and neither the Company nor any other person has given any undertaking or made any representation or warranty to the Subscriber relating to the future value or price of the Securities;
- (m) although a finder (a "**Finder**") might have introduced the Subscriber to the Company and the Finder and its directors, officers, employees, agents and representatives may hold ownership positions in the Company's securities, neither the Finder nor any of its directors, officers, employees, agents and representatives have
 - (i) any responsibility or liability of any nature whatsoever for the accuracy or adequacy of the information contained in this Agreement, the Public Record or any other publicly available information concerning the Company or as to whether all information concerning the Company required to be disclosed by it has generally been disclosed, or
 - (ii) engaged in any independent investigation or verification with respect to this subscription or any such information, andthey are released from any claims that may arise in respect of this Agreement, except those arising from their wilful act or negligence;
- (n) the Company and any Finder are entitled to rely on the statements and answers of the Subscriber contained in this Agreement and in the schedules to this Agreement and the Subscriber will hold the Company and any Finder harmless from any loss or damage they may suffer as a result of the Subscriber's failure to correctly complete this Agreement and such schedules;
- (o) this Agreement is not enforceable by the Subscriber unless it has been accepted by the Company, it has been entered into by the Subscriber for valuable consideration and may not be revoked or withdrawn by the Subscriber and it is not assignable by the Subscriber without the written consent of the Company which consent may be unreasonably withheld;

- (p) the Company may complete additional financings in the future (which may be completed at a price per security lower than that paid by the Subscriber hereunder) in order to develop its current or proposed business, there is no assurance that such financings will be available or, if available, that they will be on reasonable terms, any such future financings may have a dilutive effect on current security holders, including the Subscriber, and if such future financings are not available, the Company may be unable to fund its ongoing development which could result in the failure of its business;
- (q) pending the approval of the Private Placement by all securities regulatory authorities having jurisdiction and the Closing, the Total Subscription Amount (as set out on the first page of this Agreement) shall be held in trust by the Company's legal counsel, Northwest Law Group, and any interest earned thereon shall be for the account of the Company regardless of whether the Private Placement is approved by such regulatory authorities and should such regulatory authorities not approve the Private Placement, the Total Subscription Amount shall be promptly repaid to the Subscriber without interest or deduction;
- (r) there are not any minimum gross proceeds that must be received by the Company before it may elect to carry out the Closing and the Subscriber could be the only purchaser of Securities under the Placement;
- (s) the Securities and Warrant Shares have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "**1933 Act**") or under any state securities laws, and the Company has no obligation or present intention of filing a registration statement in respect of the Securities and Warrant Shares under the 1933 Act or under any state securities laws;
- (t) the Securities and Warrant Shares will be 'restricted securities' under the 1933 Act since they are being purchased from the Company in a transaction not involving a public offering and, therefore, cannot be offered or sold in the United States without registration under the 1933 Act and the securities laws of all applicable states of the United States, unless an exemption from registration is available; and
- (u) the Company has the right to instruct its transfer agent not to record a transfer of the Securities and Warrant Shares by any person in the United States without first being notified by the Company that it is satisfied that such transfer is exempt from, or not subject to, registration under the 1933 Act and applicable state securities laws.

8. Representations, Warranties and Covenants of the Subscriber

The Subscriber hereby represents and warrants to, and covenants with, the Company and to any Finder (on the Subscriber's own behalf and, if applicable, on behalf of each principal for which it is acting as an agent), which representations, warranties and covenants shall survive Closing, that:

- (a) if the Subscriber is subscribing for the Securities as principal for its own account, it is

All Subscribers

- (i) resident in the jurisdiction set out at the beginning of this Agreement;
- (ii) subscribing for such Securities for investment only and not for the benefit of any other person or for resale, distribution or other disposition of the Securities, and

- (iii) not a party to any contract, undertaking, agreement or arrangement with any person to sell, transfer or pledge to such person, or anyone else, the Securities, or any part thereof, or any interest therein and the Subscriber has no present plans to enter into any such contract, undertaking, agreement or arrangement,
- (iv) subscribing for a sufficient number of Securities that the aggregate acquisition cost is not less than C\$ 150,000, or
- (v) an 'accredited investor' as evidenced on the completed Schedule I, Accredited Investor Confirmation, delivered with this Agreement, or

Close Personal Friend & Business Associate Subscribers, except residents of Ontario

- (vi) not resident in Ontario and is a director, executive officer, control person or founder of the Company or a close personal friend, close business associate, spouse, parent, grandparent, sibling or child (or a parent, grandparent, sibling or child of a spouse) of a director, executive officer, control person or founder of the Company as evidenced on the completed Schedule II, Confirmation of Relationship – Not Accredited, except Ontario, delivered with this Agreement,

-or-

Ontario Related Person Subscribers

- (vii) resident in Ontario and is a founder or control person of the Company or a spouse, parent, grandparent, sibling or child of a director, executive officer or founder of the Company as evidenced on the completed Schedule III, Confirmation of Relationship – Not Accredited, Ontario Subscribers, delivered with this Agreement,
- (b) if it is not subscribing for the Securities for its own account but for one or more accounts that permit the Subscriber to purchase securities on behalf of such accounts in the Subscriber's sole discretion without reference to, or specific instructions regarding such investment from, the holders of such accounts (commonly called 'fully managed' accounts), the Subscriber is duly authorized to enter into this Agreement and complete the transactions contemplated hereby and is
- (i) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or comparable legislation in a province or territory of Canada or a foreign jurisdiction and the Subscriber is subscribing for such Securities as an agent or trustee for accounts that are fully managed by it, or
 - (ii) an adviser managing the investment portfolios of clients through discretionary authority granted by one or more clients, and is registered as such an adviser under the Canadian Securities Legislation or is exempt from such registration, and is subscribing for the Securities as an agent for accounts that are fully managed by it;
- (c) if it is not subscribing for the Securities for its own account or one or more accounts that are 'fully managed' by it but is subscribing on behalf of certain principals for which it is acting as agent, the Subscriber is duly authorized to enter into this Agreement and complete the transactions contemplated hereby and each such principal

- (i) is disclosed in the appropriate section at the beginning of this Agreement,
- (ii) is subscribing as principal for its own account as an investment and not for the benefit of any other person or with a view to the resale, distribution or other disposition of the Securities,
- (iii) satisfies the conditions and makes the representations and warranties set out in paragraph (a), as applicable, and
- (iv) is resident in the jurisdiction set out on the first two pages of this Agreement,

and the Subscriber acknowledges that the Company is required by law to disclose to certain regulatory authorities the identity of each such principal for whom it is acting and consents to such disclosure;

- (d) if the Subscriber is not an individual, corporation or limited partnership, it is subscribing for Securities for not less than C\$ 150,000 and each member of the general partnership, syndicate or other unincorporated organization which is the beneficial subscriber, or each beneficiary of the trust which is the beneficial subscriber, as the case may be, has completed, signed and delivered to the Company a Schedule I (Accredited Investor Confirmation) or is an individual who has an aggregate subscription cost for the Securities of at least C\$ 150,000;
- (e) if the Subscriber is resident in British Columbia, Alberta, Saskatchewan, Manitoba, Yukon Territory, Northwest Territories or Nunavut, a Finder has introduced the Subscriber to the Company and the Finder is not, to the Subscriber's knowledge, registered under Canadian or foreign securities legislation, the Finder has not advised, recommended or otherwise represented to the Subscriber that the Securities are suitable for the Subscriber, with regard to the Subscriber's
 - (i) investment needs and objectives,
 - (ii) financial circumstances, or
 - (iii) risk tolerance, andthe Finder does not hold or have access to the Subscriber's assets;
- (f) the Subscriber is not subscribing for the Securities as a result of knowledge of any material fact or information about the affairs of the Company that is not generally known to the public, except knowledge of this particular transaction;
- (g) its decision to execute this Agreement and subscribe for the Securities has not been based on any oral or written representation (other than those contained in this Agreement) made by or on behalf of the Company or the Finder but was based entirely upon the Subscriber's review of information contained in the Public Record and the Subscriber's knowledge of the Company's affairs;
- (h) it has had the opportunity to
 - (i) access and review the Public Record, and

- (ii) ask questions of, and receive answers from, the Company and its advisors regarding the Company and its business and financial condition and, as a result of the foregoing, including the previous sub-paragraph, the Subscriber believes that it has received all the information which it considers necessary for deciding whether to invest in the Securities;
- (i) pursuant to the Resale Instrument and the policies of the Exchange, the Subscriber will not transfer the Securities and Warrant Shares for four months from the Closing Date except in compliance with the Resale Instrument and the policies of the Exchange and will comply with such notice and other requirements under applicable securities legislation upon disposition;
- (j) neither the Subscriber nor any party on whose behalf it is acting has been created, established, formed or incorporated solely, or is used primarily, to acquire securities or to permit the purchase of the Securities without a prospectus in reliance on an exemption from the prospectus requirements of applicable securities legislation;
- (k) the entering into of this Agreement and the transactions contemplated hereby do not result in the violation of any of the terms and provisions of any law applicable to, or the constating documents of, the Subscriber or of any agreement, written or oral, to which the Subscriber may be a party or by which the Subscriber is or may be bound;
- (l) if the Subscriber is an individual (i.e. a human being), it has the legal capacity and competence to enter into and execute this Agreement and to take all actions required pursuant hereto and, if the Subscriber is a corporation, limited or general partnership, trust or other type of person other than an individual, it is duly incorporated or otherwise created and validly subsisting under the laws of its jurisdiction of incorporation or creation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution of this Agreement on behalf of the Subscriber;
- (m) the Subscriber has duly executed and delivered this Agreement and it constitutes a valid and binding agreement of the Subscriber enforceable against the Subscriber;
- (n) no authorization, consent, order or approval of or notice to any federal, provincial, state, territorial, municipal or foreign regulatory body or official must be obtained or given, and no waiting period must expire, before this Agreement and the transactions contemplated herein can be consummated by the Subscriber;
- (o) this subscription has not been induced by any representations or warranties by any person whatsoever with regard to the present or future value of the Securities;
- (p) it consents to the Company giving instructions to its transfer agent to make a note in the transfer agent's records and place restrictive legends on the certificates representing the Securities in order to implement the restrictions on transfer set forth in this Agreement;
- (q) none of the funds the Subscriber is using to subscribe for the Securities
 - (i) have been or will be derived from or related to any activity that is prohibited by, or deemed criminal under, the laws of the jurisdiction in which the Subscriber is resident or, to the best of its knowledge, any other jurisdiction, or

- (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and
- (r) the Subscriber is an experienced investor in speculative securities of corporations in the development stage, can and will bear the economic risk of its investment, understands the characteristics of the Securities and has such knowledge and experience in financial and business matters such that it is capable of evaluating the merits and risks of the investment in the Securities.

The foregoing representations, warranties and covenants are made by the Subscriber with the intent that they be relied upon by the Company in determining the Subscriber's suitability as a purchaser of the Securities and are true and correct as of the date of this Agreement and the Closing Date. The Subscriber hereby agrees to indemnify the Company and any Finder and their respective directors, officers, employees, advisors, affiliates, shareholders, partners and agents from and against all losses, claims, costs, expenses and damages or liabilities whatsoever including, but not limited to, any fees, costs and expenses reasonably incurred in investigating, preparing or defending against any litigation, administrative proceeding or investigation commenced or threatened or any claim arising out of or based upon a breach of any such representations, warranties and covenants which they may suffer or incur as a result thereof. The Subscriber will immediately notify the Company of any change in any representation, warranty or other information relating to the Subscriber set forth herein which occurs before the Closing Date.

8. Representations, Warranties and Covenants of the Company

The Company represents and warrants to, and covenants with, the Subscriber (which representations, warranties and covenants shall survive Closing) that:

- (a) the Company and its subsidiaries, if any, are valid and subsisting corporations duly created and in good standing under the laws of the jurisdictions in which they exist as corporations with respect to all acts necessary to maintain their corporate existence;
- (b) the Company and its subsidiaries, if any, are duly registered or licensed to carry on business in the jurisdictions in which they are required to be so registered or licensed to carry on business or own property or assets and are carrying on their business and owning their property and assets, in all material aspects, in accordance with all applicable laws, regulations and other requirements, including environmental laws, regulations and requirements, and have not received any notice of a breach thereof which would have a material adverse effect on the Company, its subsidiaries or their business (taken as a whole) except where it is in good faith attempting to remedy such breach or contesting such notice;
- (c) neither the Company nor any of its subsidiaries, if any, is a party to any actions, suits or proceedings which could materially affect its business or financial condition, and no such actions, suits or proceedings have been threatened or, to the best of the Company's knowledge, are pending, except as disclosed in the Public Record;
- (d) the Company is the beneficial owner of the properties, business and assets or the interests in the properties, business and assets disclosed in the Public Record, all agreements by which the Company holds an interest in a property, business or asset are in good standing according to their terms except as disclosed in the Public Record or where any such default would not have a material adverse effect on such properties, business and assets, and there has not been any breach of the applicable laws of the jurisdictions in which such properties, business and assets are situated which would have a material adverse effect on such

properties, business and assets;

- (e) the Public Record and the representations contained in this Agreement are accurate in all material respects and omit no fact, the omission of which would make the filings comprising the Public Record or such representations misleading in light of the circumstances in which such statements or representations were made;
- (f) the Public Record complies in all material respects with all applicable Canadian Securities Legislation;
- (g) the Financial Statements accurately reflect the financial position of the Company as at the date thereof and have been properly prepared in accordance with Canadian GAAP up to the last financial year end and International Financial Reporting Standard thereafter;
- (h) no adverse material change in the financial position of the Company has taken place since the date of the latest balance sheet contained in the Financial Statements, except as disclosed in the Public Record;
- (i) the Company has properly prepared and filed all tax returns and all taxes payable have been paid except where the Company is contesting in good faith any re-assessments of its taxes payable thereunder;
- (j) except as disclosed in the Public Record and for options granted in the ordinary course under the Company's stock option plan, there are no outstanding options, warrants or other securities exercisable to purchase or convertible or exchangeable into common shares of the Company;
- (k) the Company has complied, and will comply, with all applicable corporate and securities laws and regulations in connection with the offer, sale and issuance of the Securities;
- (l) the execution and delivery of this Agreement, the offer, sale and issuance of the Securities, and the delivery of the certificates representing them, by the Company do not and will not conflict with and do not and will not result in a breach of any of the terms, conditions or provisions of its constating documents or any agreement or instrument to which the Company is a party;
- (m) the Company's authorized common share capital consists of an unlimited number of common shares without par value;
- (n) this Agreement and the consummation of the transactions contemplated herein have been duly authorized by all necessary corporate action on the part of the Company and, subject to acceptance by the Company, this Agreement constitutes a valid obligation of the Company legally binding upon it and enforceable in accordance with its terms subject to such limitations and prohibitions in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and interests of creditors generally;
- (o) the sale and issuance of the Securities, and the delivery of the certificates representing them, will have been approved by all requisite corporate action on or before the Closing Date and, upon issue and delivery at the Closing, the Shares will be validly issued as fully paid and

non-assessable and the Warrants will be validly issued and the certificates representing the Securities will be validly delivered;

- (p) no order ceasing or suspending trading in the Securities nor prohibiting sale of the Securities has been issued to and is outstanding against the Company or its directors, officers or promoters and, to the best of the Company's knowledge, no investigations or proceedings for such purposes are pending or threatened;
- (q) the Company is a reporting issuer under Canadian Securities Legislation in British Columbia Alberta and Ontario, its common shares are listed for trading on the Exchange and the Company is not in default in any material respect of any requirement of such Canadian Securities Legislation or the Exchange; and
- (r) there shall not be any consents, approvals, authorizations, orders or agreements of any stock exchanges, securities commissions or similar authorities, governmental agencies or regulators, courts or any other persons which may be required for the issuance of the Securities and the delivery of certificates representing the Securities to the Subscriber, not obtained and not in effect on the date of delivery of such certificates.

9. Costs

The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the acquisition of the Securities shall be borne by the Subscriber.

10. Appointment of the Finder

The Subscriber (and any others for whom the Subscriber is contracting hereunder) hereby appoints the Finder as its attorney, with full power of substitution, and authorizes it to:

- (a) act as its representative at the Closing and execute in its name and on its behalf all closing receipts and documents required;
- (b) complete or correct any errors or omissions in any form or document provided by the Subscriber;
- (c) negotiate, settle and approve any opinions, agreements or certificates (including any Warrant certificates) to be entered into in connection with this transaction;
- (d) amend or waive, in whole or in part, any representations, warranties, covenants or conditions for the benefit of the Subscriber contained in this Agreement and extend the time for compliance with any of the conditions of closing, all in such manner and on such terms and conditions as the Finder may determine, acting reasonably;
- (e) receive on its behalf, certificates representing the Securities purchased under this Agreement; and
- (f) exercise any rights of termination contained in this Agreement.

This power of attorney is irrevocable, is coupled with an interest and has been given for valuable consideration, the receipt and adequacy of which are acknowledged. This power of attorney and other rights

and privileges granted hereunder will survive any legal or mental incapacity, dissolution, bankruptcy or death of the Subscriber (including any principal, if the Subscriber is acting as an agent for a disclosed principal). This power of attorney extends to the heirs, executors, administrators, other legal representatives and successors, transferees and assigns of the Subscriber (including any disclosed principal). Any person dealing with the Finder may conclusively presume and rely upon the fact that any document, instrument or agreement executed by the Finder pursuant to this power of attorney is authorized and binding on the Subscriber (including any disclosed principal), without further inquiry. The Subscriber (including any disclosed principal) agrees to be bound by any representations or actions made or taken by the Finder pursuant to this power of attorney, and waives any and all defences that may be available to contest, negate or disaffirm any action of the Finder taken in good faith under this power of attorney.

11. Fee to Finder

The Subscriber understands that, at the Closing, any Finder will receive a fee from the Company consisting of:

- (a) a payment equal to 8% of the proceeds from the sale of Units to investors introduced to the Company by the Finder; and
- (b) non-transferable compensation warrants entitling the Finder to purchase, for one year from the Closing Date, that number of Shares as is equal to 8% of the number of Units sold by the Company to investors introduced to the Company by the Finder, at a price of C\$ 0.10 per Share.

12. Governing Law

This Agreement, any dispute arising from or related hereto and all related rights, duties and remedies shall be governed by the laws of the province of British Columbia governing contracts made and to be performed therein, without reference to its principles governing the choice or conflict of laws. The Subscriber, in its personal or corporate capacity and, if applicable, on behalf of each beneficial subscriber for whom it is acting, irrevocably attorn to the jurisdiction of the courts of the province of British Columbia.

13. Personal Information

The Subscriber (on its own behalf and, if applicable, on behalf of any person for whose benefit the Subscriber is subscribing) consents to the Company:

- (a) collecting the Subscriber's (and that of any person for whose benefit the Subscriber is subscribing) personal information for the purposes of completing the Subscriber's subscription;
- (b) retaining the personal information for as long as permitted or required by applicable law or business practices; and
- (c) providing the personal information to various governmental and regulatory authorities, as may be required by applicable securities laws, stock exchange rules, and the rules of the Investment Industry Regulatory Organization of Canada (IIROC) and the Financial Industry Regulatory Authority, Inc. (FINRA) of the United States, or to give effect to this Agreement.

The Subscriber represents and warrants that it has the authority to provide the consents and acknowledgments set out in this paragraph on behalf of all persons for whose benefit the Subscriber is subscribing.

If the Subscriber is resident in Ontario, it acknowledges it has been notified by the Company:

- (a) of the delivery to the Ontario Securities Commission (the “OSC”) of the Subscriber’s personal information;
- (b) that the Subscriber’s personal information is being collected indirectly by the OSC under the authority granted to it in securities legislation;
- (c) the Subscriber’s personal information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and
- (d) the contact information of the public official in Ontario who can answer questions about the OSC’s indirect collection of personal information is

Administrative Support Clerk
Ontario Securities Commission
Suite 1903, Box 55, 20 Queen Street West
Toronto, Ontario M5H 3S8
Telephone 416-593-3684, Facsimile 416-593-8252

and authorizes the Company to collect such personal information and deliver it to the OSC.

14. Survival

This Agreement including, without limitation, the representations, warranties and covenants contained herein, shall survive and continue in full force and effect and be binding upon the parties for one year after the Closing Date notwithstanding the completion of the purchase of the Securities by the Subscriber and any subsequent disposition by the Subscriber of the Securities or Warrant Shares.

15. Assignment

This Agreement is not transferable or assignable.

16. Execution & Delivery

The Company shall be entitled to rely on delivery by e-mail or telecopier of a facsimile of an executed copy of this Agreement and acceptance by the Company of such facsimile copy shall be equally effective to create a valid and binding agreement between the Subscriber and the Company in accordance with the terms hereof.

17. 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.

18. Entire Agreement

Except as expressly provided in this Agreement and in the agreements, instruments and other documents contemplated or provided for herein, this Agreement contains the entire agreement between the parties with respect to the subscription for the Securities and there are no other terms, conditions, representations or warranties, whether expressed, implied, oral or written, by statute or common law, by the Company, the Subscriber, or any third party.

19. Amendments & Waivers

No amendment or waiver of this Agreement shall be effective unless in writing and signed by all of the parties hereto.

20. Notice

Unless otherwise provided herein, any notice or other communication to a party under this Agreement may be made, given or served by registered mail, postage pre-paid, by telecopier or by delivery to the parties at the addresses as set out in this Agreement. Any notice or other communication:

- (a) mailed shall be deemed to have been received on the fifth business day following its mailing;
- (b) telecopied shall be deemed to have been received on the business day following the date of transmission; and
- (c) delivered shall be deemed to have been received on the date of delivery.

In the event of a postal strike or delay affecting mail delivery, the date of receipt of any notice by mail is deemed to be extended by the length of such strike or delay. Each party may change its address for service at any time by providing notice in writing of such change to the other party.

21. Securities Regulatory Approval

The Private Placement is subject to the approval of the Exchange and any other securities regulatory authorities having jurisdiction.

SCHEDULE VIII

ADDITIONAL TERMS & CONDITIONS – ‘Flow-Through’ Securities

1. Description of Transaction

The Company has certain interests in mineral resource properties situated in Canada (collectively the “**Properties**”) and its principal business is exploring for or mining minerals. The Company intends to carry out one or more exploration programs (the “**Exploration Program**”) on the Properties from or above the surface of the earth to determine the existence, location, extent and quality of the mineral resources located therein that is:

- (a) a base or precious metal deposit; or
- (b) a mineral deposit in respect of which
 - (i) the principal mineral extracted is ammonite, calcium chloride, diamond, gemstone, gypsum, halite, kaolin, silica that is extracted from sandstone or quartzite, or sylvite, or
 - (ii) the federal Minister of Natural Resources has certified that the principal mineral extracted is an industrial mineral contained in a non-bedded deposit,

and which Exploration Program does not include:

- (c) trenching, if one of the purposes of the trenching is to carry out preliminary sampling;
- (d) digging test pits; or
- (e) preliminary sampling,

other than Permitted Sampling. For the purposes hereof, “**Permitted Sampling**” means the collecting and testing of samples in respect of any mineral deposit other than the collecting or testing of a sample:

- (f) that, at the time it is collected, weighs more than 15 tonnes; or
- (g) where the total weight of all previous samples (excluding samples each weighing less than one tonne) collected from the same deposit in that calendar year by the Company, any partnership of which the Company is a partner or any combination of the Company and any such partnership exceeds 1,000 tonnes.

The Company has agreed to apply the Total Subscription Amount of the Subscriber less the C\$ 1.00 allocated to the Warrants (the “**Flow-Through Funds**”) and of others towards carrying out the Exploration Program and to renounce the expenditures associated therewith to the Subscriber and others in accordance with the terms of this Agreement.

2. Company to File Copy of Agreement with Canada Revenue Agency

The Company will file, together with a copy of this Agreement, the prescribed form referred to in subsection 66(12.68) of the *Income Tax Act* (Canada) (the “**Tax Act**”) with the Minister of National Revenue on or before the last day of the month following the earlier of the month in which:

- (a) this Agreement is entered into, as evidenced by the Company’s acceptance set out at the

beginning of this Agreement; or

- (b) any offering memorandum relating to the Private Placement is first delivered to a other potential investor.

3. Subscription Amounts to be Segregated

Following the Closing, the Company will deposit the Flow-Through Funds into a separate bank account (the “**Subscribers’ Exploration Account**”) established by the Company for the purpose of financing the Exploration Program.

Any funds received by the Company pursuant to the exercise of the Warrants shall be deposited to the Company’s general account for use as general working capital and shall not be expended on the Exploration Program nor entitle the Subscriber to renounce any expenditures associated therewith.

4. Additional Investors May Participate in Exploration Program

The Subscriber acknowledges that the Company may enter into agreements similar to this Agreement with other persons. Such agreements will be made and dated for reference the same date as this Agreement. Any funds paid to the Company pursuant to the terms of such agreements will also be deposited in the Subscribers’ Exploration Account. Should the Company intend to issue additional ‘flow-through’ common shares pursuant to other private placements or public offerings, any subscription funds received from such private placements or public offerings will be deposited into bank accounts (each an “**Additional Exploration Account**”) separate from the Subscribers’ Exploration Account and will not be commingled with the funds comprising the Subscribers’ Exploration Account, it being the intention of the parties that an Additional Exploration Account be established for each such private placement or public offering. The Company will expend each Additional Exploration Account in the order of:

- (a) the dates of the subscription agreements entered into for any such private placements; and
- (b) the date of closing any such public offerings,

such that the subscription funds from the oldest ‘flow-through’ financing will always be spent first and renunciations made in respect of such expenditures before any renunciations are made in respect of any exploration expenditures that are financed from subsequent ‘flow-through’ financings.

5. Application of Subscribers’ Exploration Account

Subject to the Company’s right to revise the Exploration Program as provided for in this Agreement, the Company will apply the Flow-Through Funds:

- (a) exclusively for the purpose of funding the Exploration Program; and
- (b) only to incur expenditures (“**Exploration Expenditures**”) which qualify for renunciation to Subscribers as Flow-Through Mining Expenditures or CEE (as defined below).

For the purposes of this Agreement:

- (a) “**CEE**” means expenses which qualify as ‘Canadian Exploration Expense’ within the meaning of paragraph (f) of the definition of ‘Canadian Exploration Expense’ in subsection 66.1(6) of the Tax Act, other than expenses which constitute

- (i) Canadian exploration and development overhead expenses specified in paragraph 66(12.6)(b) of the Tax Act, or
 - (ii) seismic data expenses specified in paragraph 66(12.6)(b.1) of the Tax Act; and
- (b) **“Flow-Through Mining Expenditures”** means expenses which qualify, provided the Tax Act is amended as proposed by the June 6, 2011 Budget Notice of Ways and Means Motion, as ‘flow-through mining expenditures’ for the purposes of subsection 127(9) of the Tax Act, to the extent such expenses are incurred or deemed to be incurred before 2013 or, if applicable, the last day of any period of time after 2012 which may be allowed by the Canadian income tax authorities as the period during which the Company may incur expenditures so as to allow the Subscriber to claim a tax credit in respect of such ‘flow-through mining expenditures’.

6. Accrued Interest on Subscriber’s Exploration Account

The Subscriber acknowledges that any interest accruing on funds in the Subscribers’ Exploration Account and on the proceeds from the exercise of the Warrants accrues to the sole benefit of the Company and may be applied by the Company for general corporate purposes.

7. Schedule for Incurring Exploration Expenditures

The Company will incur Exploration Expenditures in an amount equal to the Flow-Through Funds on the following basis:

- (a) if the Subscriber is an Arm’s Length Subscriber (as defined below), the Company will incur Exploration Expenditures equal to the amount of the Flow-Through Funds between the Closing Date and December 31, 2012; or
- (b) if the Subscriber is a Non-Arm’s Length Subscriber (as defined below), the Company will incur as many Exploration Expenditures before the end of the year in which this Agreement is entered into (the **“First Year”**) as are commercially reasonable, and incur Exploration Expenditures equal to the balance of the Flow-Through Funds on or before December 31, 2012.

Unless the Subscriber is a director or officer of the Company or a subsidiary or gives notice to the Company or the Company gives notice to the Subscriber to the contrary (each such person being a **“Non-Arm’s Length Subscriber”**) prior to December 1st of the First Year, the Subscriber will be assumed for the purposes of this Agreement to be dealing with the Company at ‘arm’s length’, as that term is used in the Tax Act (an **“Arm’s Length Subscriber”**).

8. Company to Renounce Exploration Expenditures in Favour of Subscriber

If the Subscriber is an Arm’s Length Subscriber, the Company will renounce Exploration Expenditures in favour of the Subscriber as follows:

- (a) On or before March 31st of the Second Year, the Company will renounce in favour of the Subscriber, effective December 31st of the First Year, such Exploration Expenditures that the Company has incurred or plans to incur by the end of the Second Year in accordance with subsections 66(12.6) and 66(12.66) of the Tax Act.

- (b) If the Company does not incur Exploration Expenditures equal to the Flow-Through Funds on or before December 31st of the Second Year, the Company shall indemnify the Subscriber regarding, and pay in full and final settlement to the Subscriber an amount equal to, the amount of any tax payable or that may become payable under the Tax Act (and under any corresponding provincial legislation) by the Subscriber as a consequence of such failure. The sole recourse of the Subscriber for such failure to fully renounce shall be such indemnification and payment.
- (c) The Company will not reduce the amount to be renounced hereunder to the Subscriber pursuant to subsection 66(12.6) of the Tax Act except as required by the Tax Act and, if the Minister of National Revenue reduces or the Company is required to reduce the amount so renounced pursuant to subsection 66(12.73) of the Tax Act, the Company shall indemnify the Subscriber as to, and pay in settlement thereof to the Subscriber, an amount equal to the amount of any tax payable or that may become payable under the Tax Act (and under any corresponding provincial legislation) by the Subscriber as a consequence of such reduction. The sole recourse of the Subscriber for such reduction shall be such indemnification and payment.

If the Subscriber is a Non-Arm's Length Subscriber, the Company will renounce Exploration Expenditures in favour of the Subscriber as follows:

- (a) The Company will renounce in favour of the Subscriber, within the times set out below and in accordance with subsection 66(12.6) of the Tax Act, the amount of Exploration Expenditures incurred by it using the Flow-Through Funds to carry out the Exploration Program during the periods specified below less the amount, of the 'assistance', as defined in the Tax Act ("Assistance"), that the Company received or may reasonably be expected to receive in respect of such Exploration Expenditures:
 - (i) on or before the 90th day of the Second Year, the Company will renounce, effective as of December 31st of the First Year, those Exploration Expenditures it incurred between the date of this Agreement and the end of the First Year; and
 - (ii) with respect to Exploration Expenditures which are not renounced in accordance with (i), the Company will renounce those expenditures as soon as possible after they have been incurred and, in any event, before the day following the 24 month anniversary of the end of the month in which this Agreement was made.
- (b) The aggregate Exploration Expenditures renounced to the Subscriber will not exceed the Flow-Through Funds.
- (c) If the Company receives, is entitled to receive, or may reasonably be expected to receive, Assistance at any time that may reasonably be related to the Exploration Expenditures which could otherwise reduced the amount that could be renounced pursuant to the terms of this Agreement, the Company will incur additional Exploration Expenditures using funds from other sources in an amount equal to any such Assistance, such that the aggregate Exploration Expenditures renounced to the Subscriber pursuant to the terms of this Agreement will not be less than the Flow-Through Funds.

9. Company to File Prescribed Form in Respect of Renunciations

The Company will file with the Minister of National Revenue, in respect of each renunciation made pursuant

to this Agreement, before the last day of the month following the date of making such renunciation, such information returns as are prescribed pursuant to subsection 66(12.7) of the Tax Act. Copies of such information returns will concurrently be sent to the Subscriber and the Subscriber is thereby authorized to file such information returns with the Canada Revenue Agency and other taxation authorities in respect of its own income tax filings.

10. Company to Account to Subscriber

The Company will maintain proper accounting books and records relating to the Exploration Expenditures and, on completion of the Exploration Program, will account to the Subscriber in respect of the application of the Flow-Through Funds.

11. Allocation of Exploration Expenditures

For the purposes of determining the extent to which the Flow-Through Funds have been the subject of renunciation under the Tax Act, the total amount expended from the Subscribers' Exploration Account on Exploration Expenditures shall be allocated among the Subscriber and those other persons who have contributed to the Subscribers' Exploration Account on a basis *pro rata* to the relative amounts of their respective Flow-Through Funds, as set forth in the information returns required by subsection 66(12.7) of the Tax Act.

12. Company Not to Claim a Deduction in Respect of the Exploration Expenditures

The Company acknowledges that it has no right to claim any deduction for CEE, Flow-Through Mining Expenditures or depletion of any sort in respect of the Exploration Expenditures and covenants not to claim any such deduction when preparing its tax returns from time to time.

13. Company to File Prescribed Form With Canada Revenue Agency in Respect of Excess Renunciations

Where an amount that the Company has purported to renounce to the Subscriber effective as of December 31st of the First Year exceeds the amount that it can renounce on that effective date because it did not actually incur Exploration Expenditures within the requisite period of time and at the end of the Second Year the Company knew or ought to have known of all or part of such excess renunciation, the Company will file a statement in the prescribed form before the 60th day of the year after the Second Year, all as required by subsection 66(12.73) of the Tax Act. A copy of such statement will be sent concurrently to the Subscriber.

14. Company To File Part XII.6 Return With CRA

The Company will file, before March of the year following a particular year, any return required to be filed under Part XII.6 of the Tax Act in respect of the particular year, and will pay any tax or other amount owing in respect of that return on a timely basis.

15. Additional Representations and Warranties of the Subscriber

The Subscriber acknowledges and represents, warrants to the Company that, as of the date of this Agreement:

- (a) the Subscriber is
 - (i) an Arm's Length Subscriber and if, at any time during the Second Year, the Subscriber ceases to be an Arm's Length Subscriber, or

- (ii) a Non-Arm's Length Subscriber,

and if the Company renounces to the Subscriber as if the Subscriber were an Arm's Length Subscriber any Exploration Expenditures that the Company incurs or plans to incur then, notwithstanding the provisions of this Agreement, such renunciation will not be effective; and

- (b) if either the Subscriber or the Company has not executed the Agreement, or the Subscriber has not paid the Flow-Through Funds to the Company, on or before December 31st of the First Year, the Subscriber will not be entitled to have any Exploration Expenditures incurred after December 31st of the First Year renounced to the Subscriber effective December 31st of the First Year.

The foregoing acknowledgments, representations and warranties are made by the Subscriber with the intent that they be relied upon by the Company in determining the Subscriber's suitability as a purchaser of the Securities and are true and correct as of the date of this Agreement and the Closing Date. The Subscriber hereby agrees to indemnify the Company and any Finder and their respective directors, officers, employees, advisors, affiliates, shareholders, partners and agents from and against all losses, claims, costs, expenses and damages or liabilities whatsoever including, but not limited to, any fees, costs and expenses reasonably incurred in investigating, preparing or defending against any litigation, administrative proceeding or investigation commenced or threatened or any claim arising out of or based upon a breach of any such representations, warranties and covenants which they may suffer or incur as a result thereof. The Subscriber will immediately notify the Company of any change in any representation, warranty or other information relating to the Subscriber set forth herein which occurs before the Closing Date.

16. Additional Representations and Warranties of the Company

The Company represents and warrants to the Subscriber that, as of the date of acceptance of this Agreement by the Company and at the Closing:

- (a) it is, and at all material times will remain, a 'principal business corporation', within the meaning prescribed by subsection 66(15) of the Tax Act;
- (b) the Shares, but not the Warrant Shares, will qualify as 'flow-through shares', as defined in subsection 66(15) of the Tax Act ("**FT Shares**"), and will not be 'prescribed shares' as defined in of section 6202.1 of the regulation to the Tax Act ("**Prescribed Shares**");
- (c) if the Company amalgamates or otherwise merges with one or more corporations, any shares issued to or held by the Subscriber under such amalgamation or merger as a replacement for the Shares will qualify, whether by virtue of subsection 87(4.4) of the Tax Act or otherwise, as FT Shares and will not be Prescribed Shares; and
- (d) it is not entitled to receive any Assistance in respect of Exploration Expenditures.

17. No Dissemination of Confidential Information

The Company is entitled to hold confidential all exploration information relating to any program on which any portion of the Flow-Through Funds is expended pursuant to this Agreement and it is not obligated to make such information available to the Subscriber except in the manner and at such time as it makes any such information available to its shareholders or to the public pursuant to the rules and policies of any stock

exchange or laws, regulations or policies of any province.

18. Subscriber Does Not Acquire any Interest in the Properties

The Subscriber shall not, as a result of the Company incurring any Exploration Expenditures associated with the Exploration Program or by reason of this Agreement, acquire any interest in or to the Properties.

19. Revision of Exploration Program

While it is the present intention of the Company to carry out the Exploration Program, it is the nature of natural resource exploration that data and information acquired during the conduct of an exploration program may alter the initially proposed program of exploration and the Company expressly reserves the right to alter the Exploration Program on the advice of its technical staff or consultants and further reserves the right to substitute other exploration programs on which to expend part of the Flow-Through Funds, provided such programs entail the incurrence of Exploration Expenditures.

20. Force Majeure

If the Company is prevented or delayed from performing any of its obligations hereunder or from incurring Exploration Expenditures on behalf of the Subscriber or in carrying out any programs contemplated hereby by reason of any act of God, strike, labour dispute, lockout, threat of imminent strike, fire, flood, interruption or delay in transportation, war, insurrection or mob violence requirements or regulation of government or statute, unavoidable casualties, shortage of labour, equipment or materials, plant breakdown or failure of operating equipment or any disabling cause without regard to the foregoing enumeration beyond its control or which cannot be overcome by the means normally employed in performance, then and in every such event, any such prevention or delay will not constitute a breach of this Agreement but, subject to the requirements of the Tax Act concerning renunciation of CEE to the subscribers of 'flow-through' shares, performance of any of the said obligations or requirements to incur Exploration Expenditures on behalf of the Subscriber or to perform any such program shall be suspended during such period of disability and the period of all such delays resulting from any such causes will be excluded in computing the time within which anything required to be permitted by the Company is to be done hereunder, it being understood that the time within which anything is to be done, or made pursuant hereto, will be extended by the total period of all such delays.