AMENDED AND RESTATED AGREEMENT

ENCORE RENAISSANCE RESOURCES CORP.

P.O. Box 48474, Bentall Centre, Vancouver, British Columbia V5C 2M7

May 25, 2009

BCT Mining Corp.
235 Morningside Drive
Delta, BC, V4L 2M3

Attention: Michael Mulberry

Dear Sirs:

Re: Agreement between Encore Renaissance Resources Corp. (the "Optionee") and BCT Mining Corp. (the "Optionor") concerning the acquisition of an interest in the Bonaparte Mine located in Kamloops, British Columbia

This Agreement sets forth the terms and conditions upon which the Optionee is granted an option by the Optionor to earn up to a sixty percent (60%) interest in the mineral claims described in Schedule "B" (the "Property"), subject to a 2% Production Royalty Interest in favour of the Optionor and thereafter participate with the Optionor for the purpose of exploration and development work on the Property and, if warranted, the operation of one or more mines on the Property.

Capitalized words have the meanings given to them in the text of this Agreement and in Schedules "A" and "D", as applicable.

In consideration of the payment by the Optionee of the sum of $10.00 to the Optionor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Optionor, the Optionor and the Optionee hereby agree as follows:

PART 1 - THE PROPERTY

1.1 The Property - The Property is comprised of the mineral claims more particularly described in Schedule "B" hereto and shown on the map attached as Schedule "C" hereto and shall include any additional mineral claims that become part of the Property pursuant to section 9.1, including any mineral claims staked within the Property and all mining leases and other mining interests derived from any such mineral claims. Any reference to any mineral claim comprising the Property includes any mineral lease or other interest into which such mineral claim may be converted.

PART 2 - REPRESENTATIONS AND WARRANTIES

2.1 Mutual Representations - The Optionee and the Optionor each represent and warrant to the other that:

(a) it has been duly incorporated and is a valid and subsisting body corporate under the laws of its jurisdiction of incorporation and is duly qualified to carry on business in British Columbia and to hold an interest in the Property;

(b) it has duly obtained all necessary governmental, corporate and other authorizations for its execution and performance of this Agreement, and the consummation of the transactions contemplated herein will not, with the giving of notice or the passage of time, or both, result in a breach of, constitute a default under, or result in the creation of any Encumbrance on its assets under, the terms or provisions of any law applicable to it, its constating documents, any resolution of its directors or shareholders or any indenture, Agreement or other instrument to which it is a party or by which it or its assets may be bound;

(c) no proceedings are pending for, and it is unaware of any basis for the institution of any proceedings leading to, its dissolution or winding up or the placing of it in bankruptcy or its subjection to any other law governing the affairs of bankrupt or insolvent persons; and

(d) it has full right, power and authority to enter into and accept the terms of this Agreement and to carry out the transactions contemplated herein.

2.2 Optionor's Representations - The Optionor represents and warrants to the Optionee that:

(a) the legal and beneficial interest of a one hundred percent (100%) interest in the mineral claims described in Schedules "B" and "C" hereto is registered to Brad David Jefferson and the Optionor has the exclusive right to enter into this Agreement and dispose of an interest in the Property in accordance with the terms hereof;

(b) the mineral claims comprising the Property are validly located, duly recorded and in good standing, free and clear of all Encumbrances and underlying interests whatsoever;

(c) sufficient assessment work has been done and reports filed to keep the mineral claims comprising the Property in good standing under the *Mineral Tenure Act* (British Columbia) (the "Mineral Tenure Act") until those dates set out in Schedule "B";

(d) there are no actions, suits, investigations or proceedings before any court, arbitrator, administrative agency or other tribunal or governmental authority, whether current, pending or threatened, which directly or indirectly relate to or affect the mineral claims comprising the Property or the interests of the Optionor

therein nor is the Optionor aware of any acts which would lead it to suspect that the same might be initiated or threatened;

(e) there are no outstanding agreements or options to purchase or otherwise acquire the Property or any portion thereof or any interest therein, and no person has any royalty or other interest whatsoever in the production from or profits earned from any of the mineral claims comprising the Property;

(f) the Optionor is legally entitled to hold its interest in the Property and the licences, permits, easements, rights of way, certificates and other approvals now held or hereafter acquired by it and necessary for the exploitation of the Property, and will remain so entitled for so long as it holds any interest in the Property;

(g) upon exercise of the Option (as that term is defined in section 4.1) by the Optionee, from time to time, the Optionor will have the legal right and authority to transfer title of up to an undivided sixty percent (60%) legal and beneficial interest in the Property to the Optionee, subject to a 2% Production Royalty Interest in favour of the Optionor, in accordance with the terms set out in this Agreement;

(h) the activities directly or indirectly relating to the mineral claims comprising the Property by the Optionor and any other person on behalf of the Optionor have been in compliance with the Mineral Tenure Act and all other applicable laws and the Optionor has not received any notice nor is the Optionor aware after reasonable inquiry of any breach or violation of any such laws having been alleged;

(i) there are no obligations or commitments for reclamation, closure or other environmental corrective, clean-up or remediation action directly or indirectly relating to the mineral claims comprising the Property;

(j) no environmental audit, assessment, study or test has been conducted in relation to the mineral claims comprising the Property by or on behalf of the Optionor nor is the Optionor aware after reasonable inquiry of any of the same having been conducted by or on behalf of any governmental authority or by any other person; and

(k) the Optionor's interest in the Property does not constitute all or substantially all of its undertaking.

2.3 Survival of Representations and Warranties - The representations and warranties of the parties set out herein are conditions upon which the parties have relied in entering into this Agreement and shall survive the termination of this Agreement and the acquisition of any interest in the Property by the Optionee hereunder, and each party shall indemnify and save the other harmless from all loss, damage, costs and expenses which may be

suffered or incurred by the other as a result of or in connection with any breach or inaccuracy of any such representation and warranty made by such party.

PART 3 - DUE DILIGENCE

3.1 Due Diligence Inquiry - The Optionee shall be entitled to conduct a due diligence investigation of the title and environmental condition of the Property, the results of which investigation shall be satisfactory to the Optionee, acting reasonably, and which investigation shall be completed within 5 days from the Execution Date. If at any time during such due diligence period the Optionee, based on its due diligence investigations, decides acting reasonably that the Optionor's title to the property or the environmental condition of the Property is unsatisfactory, the Optionee may terminate the Option and this Agreement upon written notice to the Optionor without any further obligation or liability to the Optionor whatsoever. This section 3.1 is for the sole and exclusive benefit of the Optionee and if not satisfied may be waived in whole or in part by the Optionee.

3.2 Delivery of Information - Within five (5) days after the Execution Date, the Optionor shall disclose and deliver to the Optionee all information and data in its possession or within its knowledge relating to title to the Property and the environmental condition of the Property, including copies of all historical documentation and Encumbrances relating to title to the Property and all notifications from regulatory authorities and environmental studies, tests and assessments relating to the environmental condition of the Property.

PART 4 - GRANT OF OPTION

4.1 Grant of Option - The Optionor hereby grants to the Optionee the sole and exclusive right and option (the "Option") to acquire, from time to time, free and clear of all Encumbrances and underlying interests whatsoever, up to an undivided sixty percent (60%) beneficial interest in the Property and in all rights of the Optionor with respect thereto, subject to a 2% Production Royalty Interest in favour of the Optionor, upon completion of the cash and share payments to the Optionor and incurring the Work Costs on the Property within the applicable time as set out in section 4.2 below.

4.2 Payment and Work Costs - The Option shall be deemed to have been exercised for the percentage of the Claims as set out in the table below upon completion of the corresponding cash and share payments and incurring the corresponding Work Costs and the provision of written notice by the Optionee of its intent to exercise the Option in respect to such percentage. **In addition, to the option exercise requirements below, the Optionee agrees to pay a deposit of $50,000 to the Optionor upon receipt of written approval of this Agreement from the TSX Venture Exchange and once the Option has been exercised, the Optionee agrees to pay to the Optionor $5,000,000 out of Production Returns (as defined in Schedule "D" attached hereto) payable to the Optionee (the "Production Returns Payment"), which payment may be paid in advance of the commencement of production and to the credit of the Optionee in respect of this obligation at the Optionee's discretion. In any event, any Production**

Returns payable to the Optionee shall first be paid towards the Production Returns Payment once production has been commenced.

The Optionor and the Optionee agree that the Optionor shall pay out of the Production Returns Payment to the property owner, Brad Jefferson, the amount of $250,000, which payment shall be deemed to have be paid on behalf of the Optionor and the Optionee each as to a $125,000 payment.

It is understood and agreed that that (i) any bulk sample processing or test mining shall not constitute in any way a commencement of mining operations; and (ii) any net proceeds (the "Sample Net Proceeds") calculated identically to the formula for Production Returns from the processing and sale of any products from any bulk sample or test mining sample shall be excluded from the requirement of the Optionee to pay any amount towards the Production Returns Payment. Further, the parties acknowledge and agree that notwithstanding that the Optionee may hold less than a 51% interest in the Property: (i) at any time before the Optionee has earned a 60% interest in the Property, the Sample Net Proceeds shall be divided between the Optionor and the Optionee as to a deemed 49% interest in favour of the Optionor and a deemed 51% interest in favour of the Optionee and (ii) upon the Optionee earning a 60% interest in the Property, the Sample Net Proceeds shall be divided between the Optionor and the Optionee as to a deemed 40% interest in favour of the Optionor and a deemed 60% interest in favour of the Optionee.

4.3

Time for completion	**Amount to be paid and Work Costs to be incurred by Optionee[1]**	**Aggregate amount paid and Work Costs incurred**	**Interest Acquirable by Optionee**	**Aggregate Interest**
Phase I (to be completed on or before first anniversary of TSX Venture Exchange approval of this Agreement)	i)5,000,000 Shares within 5 days of TSX Venture Exchange approval of this Agreement; ii) $1,244,000 in Work Costs and $100,000 as a property payment to the property owner, Brad Jefferson, on or before the first anniversary of TSX Venture Exchange approval ("Phase I Work Costs").	i) 5,000,000 Shares; ii) $1,244,000 in Work Costs.	25.5%	25.5%
Phase II (to be completed on or before second anniversary of TSX Venture Exchange	i) the greater of $1,000,000 cash or the deemed aggregate value of 2,000,000 Shares with a deemed price per Share based on the closing price as of the date of the announcement by the	i) 10,000,000 Shares; ii) the greater of $1,000,000 cash or the deemed aggregate value of 2,000,000 Shares with a deemed price per Share based on the closing price as	25.5%	51%

approval this Agreement	Optionee made after the close of trading of the Shares less the allowable market discount as set out in the policies of the TSX Venture Exchange upon TSX Venture Exchange approval and completion of Phase I cash and Shares payments and completion of Phase I Work Costs; ii)5,000,000 Shares upon TSX Venture Exchange approval and completion of Phase I cash and Shares payments and completion of Phase I Work Costs; iii) $1,220,000 in Work Costs on or before the second anniversary of TSX Venture Exchange approval of this Agreement. ("Phase II Work Costs").	of the date of the announcement by the Optionee made after the close of trading of the Shares less the allowable market discount as set out in the policies of the TSX Venture Exchange; iii) on or before $2,464,000 in Work Costs.		
Phase III (no specified completion date)	i) $1,000,000 cash (the "Phase III Cash Payment") to be paid upon the commencement of Phase III unless the operations of the Property generate Sample Net Proceeds in which case the Optionee's share of any Sample Net Proceeds shall first be paid on behalf of the Optionee towards the Phase III Cash Payment before any payment is made to the Optionee. ii) 10,000,000 Shares upon Exchange approval and completion of Phase II cash and Shares payments and completion of Phase II Work Costs; iii) all Work Costs required to initial full production on the Property	i) $1,000,000 cash; ii) 20,000,000 Shares; iii) the greater of $1,000,000 cash or 2,000,000 Shares with a deemed price per Share based on the closing price as of the date of the announcement by the Optionee made after the close of trading of the Shares less the allowable market discount as set out in the policies of the TSX Venture Exchange; iv) $2,464,000 in Work Costs; v) all Work Costs required to initial full production on the Property	9%	60%

[1] **In the event that the issuance of any Shares could result in the Optionor holding 20% or more of the issued and outstanding number of common shares of the Optionee, the Optionee may, subject to TSX Venture Exchange approval, issue special warrants (the "Special Warrants") exercisable into that number of shares which would reduce the holdings of the Optionor to 19.90% of the issued and**

outstanding number of common shares of the Optionee in lieu of issuing such common shares. Each Special Warrant would be exercisable into one common share of the Optionee for no further consideration provided that either (i) the resulting shareholdings of the Optionor would not exceed 19.90% or (ii) the shareholders of the Optionee have approved the "change of control" (as defined under the policies of the TSX Venture Exchange) that would result by the shareholdings of the Optionor equalling or exceeding 20% or more of the issued and outstanding number of common shares of the Optionee

4.4 Determination of Work Costs - Work Costs shall be deemed to have been incurred by the Optionee when the Optionee has expended funds or has received goods or services from third parties for which the Optionee has an obligation to make payment, whether or not payment has been made. Where Work Costs are charged to the Optionee by an Affiliate of the Optionee for services rendered by such Affiliate, such Work Costs shall not exceed the fair market value of the services rendered. A certificate of an officer of the Optionee setting forth the Work Costs incurred by the Optionee in reasonable detail shall be *prima facie* evidence of the same.

4.5 Excess Work Costs and Deficiencies - Work Costs incurred by the Optionee exceeding the amount of Work Costs required to be incurred within any period shall be carried forward to the succeeding period and qualify as Work Costs. If the Work Costs incurred are less than the amount of the Work Costs required to be incurred in any period, the Optionee may at its option pay the deficiency to the Optionor in cash within sixty (60) days after the end of such period in order to maintain the Option. Any such payment of cash in lieu shall be deemed to be Work Costs incurred on the Property on or before the relevant date for purposes of this Part 4.

4.6 Make-up Right - If the Optionee reasonably believes that it has incurred Work Costs required to be incurred by the Optionee in any period in order to maintain the Option, but it is subsequently determined upon examination or audit by either party that such Work Costs were not incurred within such period, the Optionee shall not lose any of its rights hereunder and the Option shall not terminate, provided that the Optionee pays to the Optionor such deficiency in Work Costs within thirty (30) days following such determination (if determined by the Optionee) or within thirty (30) days following notice to the Optionee of such deficiency (if determined by the Optionor), and the payment of such deficiency in Work Costs shall be deemed to be Work Costs incurred by the Optionee for purposes of this Agreement.

4.7 Exercise of Option - Upon the completion of payments and incurring the Work Costs set out in section 4.2 in accordance with the terms of this Agreement and the provision of the written notice by the Optionee of its intent to exercise the applicable portion of the Option relating to such completion, the Option shall be exercised accordingly and the Optionee will, from time to time, be granted the interest acquired corresponding to the applicable payments and Work Costs incurred as set out in section 4.2, up to an aggregate of 60% of the right, title and interest in and to the Claims owned by the Optionor, as the case may be, subject to a 2% Production Royalty Interest in favour of the Optionor. Upon grant of each percentage interest at 25.5%, 51.0% and 60%, the Optionor shall immediately deliver a duly

executed and registrable instrument for the transfer of such interest from the Optionor to the Optionee which the Optionee may register its interest.

4.8 Transfer of Title - Upon completion of the exercise of the Option for a particular percentage level of interest in the Claims under section 4.6 of this Agreement, the Optionor shall deliver to the Optionee a duly executed transfer in registrable form of that percentage of the right, title and interest in and to the Claims in favour of the Optionee, subject to a 2% Production Royalty Interest in favour of the Optionor, which the Optionee shall be entitled to register against title to the Property. Until the completion of such registration, the Optionor shall be deemed to hold title thereto in trust for the benefit of the Parties in accordance with the provisions of this Agreement.

4.9 Option Only – This Agreement is for an option only. Except for the payment of $50,000 deposit, the Optionee is not obliged to make any payment of money to the Optionor, issue and deliver any shares in the capital of the Optionee or incur Work Costs on the Property. The Optionor hereby agrees that the Optionee may terminate the Option at any time. The Optionee will pay all taxes and assessments required to maintain the Claims in good standing during the term of the Option and, in the event that the Option is terminated or expires without being exercised, then the Optionee will pay all taxes and assessments required to maintain the Claims in good standing for a period of one year from such termination or expiration of the Option.

4.10 Exchange Approval – **This Agreement and the Option granted herein is subject to the approval of the TSX Venture Exchange and the written consent of Brad David Jefferson to this Agreement and the Option, in a form satisfactory to the Optionee.**

PART 5 - ENVIRONMENTAL INDEMNIFICATION

5.1 Optionor's Indemnity - Subject to section 5.3, the Optionor agrees to indemnify and save the Optionee harmless from and against any Environmental Liability suffered or incurred by the Optionee arising directly or indirectly from any operations or activities conducted in or on the Property, whether by the Optionor or others, prior to the Execution Date.

5.2 Optionee Indemnity - Subject to section 5.3, the Optionee agrees to indemnify and save the Optionor harmless from and against any Environmental Liability suffered or incurred by the Optionor arising directly or indirectly from any operations or activities conducted on the Property, whether by the Optionee, its employees or agents, after the Execution Date.

5.3 Limitation on Indemnities - If a Joint Venture is formed pursuant to section 8.1, then notwithstanding sections 5.1 and 5.2, any Environmental Liability shall be deemed a liability of the Joint Venture regardless whether the Environmental Liability arises from operations conducted on the Property prior to the Execution Date or prior to the date the Joint Venture is formed. If such Environmental Liability arises from operations conducted on the Property prior to the date the Joint Venture is formed, the Environmental Liability shall be borne by the parties in accordance with their

participating interests at the time the Joint Venture is formed. If the Environmental Liability arises from operations conducted on the Property after the date the Joint Venture is formed, the Environmental Liability shall be borne by the parties in accordance with their participating interests at the time the Environmental Liability arises.

5.4 Survival - The provisions of this Part 5 shall survive any termination of this Agreement.

PART 6 - RIGHTS AND OBLIGATIONS DURING OPTION PERIOD

6.1 Work Programs During Option Phase - The Optionor shall act as the operator (the "Operator") and have the exclusive right to manage and operate all work programs carried out on the Property in accordance with the direction and control of the Management Committee. The parties shall appoint Kokanee Placer Ltd. as a consultant to oversee and report to the Optionor and the Optionee on all activities and work programs pertaining to the exploration, development and mining of the Property.

6.2 Overhead - The Operator shall be entitled to include in Work Costs until the formation of the Joint Venture as provided under s.8.1 herein, an overhead charge for management supervision and administrative services of the Operator equal to:

(a) ten percent (10%) of all expenditures and costs incurred by the Operator under each contract with a third party

excluding in each case the amount of the overhead charge fixed under this section 6.2. The Operator may elect not to be a supervising operator to any third party contract work and shall promptly provide written notice of such election to the other party and the other party may take over the supervision of such work, in which case it shall be entitled to the overhead charge set out herein.

6.3 Additional Rights - For so long as the Option is outstanding, the Optionee and its employees, representatives, agents and independent contractors shall have the right:

(a) to access to all information in the possession or control of the Optionor relating to prior operations on the Property including all geological, geophysical and geochemical data and drill results;

(b) to enter upon the Property and carry out such exploration and development work thereon and thereunder as the Optionee considers advisable, including removing material from the Property for the purpose of testing; and

(c) to bring upon and erect upon the Property such structures, machinery and equipment, facilities and supplies as the Optionee considers advisable.

6.4 Optionor's Access - The Optionor shall have access to the Property, concurrently with the Optionee, at all reasonable times, at the Optionor's own risk and expense, for the purpose of inspecting the work being done by the Optionee, provided such inspection does not unduly interfere with any work being carried out by or on behalf of the Optionee.

6.5 Optionee Obligations - For so long as the Option is outstanding, the Optionee shall:

(a) record all assessment work done by it on the Property;

(b) keep the Property free and clear of all Encumbrances arising from its operations under this Agreement (except Encumbrances for taxes not yet due, other inchoate Encumbrances and Encumbrances contested in good faith by the Optionee) and to contest or discharge any such Encumbrance that is filed;

(c) obtain and maintain, and cause any contractor engaged by it to obtain and maintain, such insurance as the Optionee reasonably considers appropriate in the circumstances, with both the Optionor and the Optionee being named as insured in such policies; and

(d) conduct all work in a careful and miner-like manner and in compliance with all applicable laws.

6.6 Reporting Obligations - Subject to section 6.7, for so long as the Option is outstanding, the Optionee shall:

(a) following each month during which field work is carried out, furnish the Optionor with a brief field report summarizing the work carried out by the Optionee during the previous month;

(b) furnish the Optionor with annual reports containing a reasonably complete description and results of the work done by the Optionee during the previous year, such reports to include a statement of Work Costs incurred, a summary of the results of such work and a summary of the Optionee's interpretation of such results; and

(c) give the Optionor access, at its own risk and expense and at reasonable times, to all preliminary and final technical data relating to work done on the Property, including all results and raw data received by the Optionee from laboratories and other independent contractors retained to provide technical analysis and interpretation.

6.7 Third Party Property Information - The Optionor acknowledges and agrees that neither the Optionee nor any of its Affiliates are providing any representation or warranty in respect of the accuracy, completeness or validity of the information relating to the Property obtained by the Optionee from laboratories and other independent contractors and provided to the Optionor pursuant to sections 6.6 or 7.2(b) or otherwise hereunder ("Third Party Property Information") and that no such representation or warranty shall be implied. The Optionor hereby forever releases and discharges the Optionee and its Affiliates from any claim in respect of the accuracy, completeness or validity of any Third Party Property Information.

6.8 Limitation on Property Information - Notwithstanding anything expressed or implied in this Agreement, the Optionor shall not have access to any interpretive data, reports or results generated in respect of the Property for the internal use of the Optionee or its Affiliates nor shall the Optionor have access to any of the Optionee's proprietary techniques.

PART 7- TERMINATION OF OPTION AND AGREEMENT

7.1 Termination - In addition to its right of termination under section 3.1, the Optionee shall have the right at any time prior to its exercise of the Option to give notice to the Optionor terminating the Option and this Agreement. If the Optionee gives such notice of termination or, subject to sections 4.4, 4.5 and 12.1, if the Optionee fails to make the payments and incur the Work Costs referred to in section 4.2 on or before the dates referred to therein, then the Option and this Agreement shall terminate and the Optionee shall, subject to the provisions of Part 2, Part 5 and Part 10, and subject to sections 7.2 and 7.3, have no further rights or interest in the Property and no further obligations or liabilities to the Optionor.

7.2 Events on Termination - If this Agreement is terminated by the Optionee pursuant to section 7.1, the Optionee shall:

(a) remove from the Property within twelve (12) months of termination, or sooner if required under applicable law, all structures, machinery, equipment, facilities and supplies erected, installed or brought upon the Property by or at the instance of the Optionee; and

(b) leave all mineral claims and any other mineral tenures comprising the Property in good standing under the Mineral Tenure Act.

PART 8- FORMATION AND OPERATION OF JOINT VENTURE

8.1 Formation of Joint Venture - Upon the Optionee being deemed to have earned an aggregate fifty-one percent (51%) undivided interest in the Property pursuant to section 4.2, the Optionee and the Optionor shall participate in a joint venture (the "Joint Venture") for the purpose of further exploration and development work on the Property and if warranted, the operation of one or more mines on the Property.

8.2 Participating Interests - The participating interests of the parties at the time the Joint Venture is formed shall be:

Optionee	51%
Optionor	49%

Upon the exercise of the Option by the Optionee to acquire an aggregate sixty percent (60%) undivided interest in the Property pursuant to section 4.2, the participating interests of each party will change accordingly. Each party shall be responsible for payment of its proportionate share (based on its participating interest) of the operating and capital costs

of the Joint Venture's operations, including reclamation and remediation obligations and any security required therefore, from the proceeds derived from the operations on a pro-rata basis from each party based on each party's respective percentage interest.

8.3 Management Committee - Upon formation of the Joint Venture, a Management Committee, formed by members from each party and holding each one vote on the management committee as optionor and optionee, shall be established which shall make all decisions, on a simple majority vote, which are required to be made by the Joint Venture parties with respect to the Joint Venture's operation. The Management Committee shall have the authority to establish its own rules on how meetings of the Management Committee shall be called and conducted.

8.4 Manager - The Manager and the Operator shall be subject to the direction and control of the Management Committee. The Optionor shall have the right to be the Manager of the Joint Venture and to manage and operate the exploration, feasibility study, mine development and mining phases of the project during the term of the Joint Venture, provided that the Optionor is not in material breach of this Agreement.

8.5 Overhead Costs - The Manager shall be entitled to charge the Joint Venture an amount for general overhead and administrative costs and management fees equal to:

(a) for exploration, including the preparation of feasibility studies, ten percent (10%) of all Work Costs incurred under each contract with a third;

(b) for development and construction, ten percent (10%) of all Work Costs; and

(c) for mining, ten percent (10%) of all Work Costs;

excluding in each case the amount of the overhead charge fixed under this section 8.5. The Manager may elect not to be a supervising operator to any third party contract and shall promptly provide written notice to the other party of the Joint Venture of such election and the other party may take over the supervision of such work, in which case it shall be entitled to the overhead charge set out herein.

The parties intend that the Manager shall not lose or profit by reason of acting as Manager of the Joint Venture. The Manager's rates for general overhead and administrative costs and management fees shall be reviewed annually by the Management Committee, which may make such amendments as may be necessary or desirable to achieve the parties' intention.

8.6 Contracts with Manager - The Manager and any Affiliate of the Manager, including Operator, if applicable, may enter into contracts with the Joint Venture, provided that at the time of formation of any such contract the terms thereof, including the allocation of revenues, costs, obligations and liabilities, are fair and reasonable, and that any charges made by the Manager or its Affiliates to the Joint Venture do not exceed the fair market value therefor.

8.7 Accounting Procedures - The Manager shall maintain or cause to be maintained the accounts for the Joint Venture, to the extent and in such detail and at such places as the Management Committee may determine, such books and records pertaining to the Joint Venture and to the costs and expenses thereof and the performance of the Manager hereunder, and to the receipt and disposition of proceeds from any joint sales, as will properly reflect, in accordance with Canadian GAAP to the extent applicable and not in conflict with the provisions hereof, all transactions of the Manager in relation to the operation of the Joint Venture and the performance of the Manager's duties hereunder and all costs paid by the Manager in the performance thereof and for which it will seek reimbursement, all of which books and records shall be made available to the other party and the Management Committee, upon reasonable notice and at all reasonable times, for inspection, audit and reproduction. As soon as possible after the close of each fiscal year of the Manager, all the books and accounts of the Manager relating to the operation of the Joint Venture for such fiscal year shall be audited by the auditors for the Optionee or such other auditors as the Management Committee may determine at the expense of the Joint Venture and copies of the report of the auditors shall be sent promptly to each party. Any claim against the Manager relating to any transactions during the period covered by such audit shall be made within two (2) years after such audit.

8.8 Programs and Budgets - The Manager shall propose the work programs and budgets following the formation of the Joint Venture in accordance with the instructions of the Management Committee. Each party shall have sixty (60) days from the date of receipt of a program to notify the Manager as to whether it will participate at its interest level or whether it will not participate. The Optionor and the Optionee shall ensure that the Production Returns to each of such party shall be separate and apart and not commingled.

8.9 Excess Work Costs - Any Work Costs made or incurred by the Optionee in excess of the Work Costs required to earn its interest in the Property shall be credited to the Optionee's contribution to the first work program after formation of the Joint Venture and shall not automatically dilute the participating interest of the Optionor on formation.

8.10 Feasibility Study - The Management Committee shall propose and may amend the schedule for preparation of a Feasibility Study, and shall have the right to review and approve or reject the Feasibility Study or require it to be modified and to make the production decision. The Manager shall have the right to prepare the Feasibility Study unless otherwise determined by the Management Committee.

8.11 Withdrawal - Notwithstanding anything herein contained, a party hereto may elect to withdraw from the Joint Venture by offering its interest in writing to the other party for $1.00. If the other party does not accept the offer in writing within ninety (90) days, the Manager shall cease operations.

8.12 Default in Funding - If a party to the Joint Venture defaults in its obligation to contribute to any program and budget or to make any other required contribution, the other party may at its election make such contribution on behalf of the defaulting party (a "cover payment"). The cover payment shall constitute indebtedness due from the defaulting

party to the party making the cover payment and shall be payable on demand, shall bear interest at the prime rate of the Optionee's primary financial institution plus five percent (5%) per annum and shall be secured by the defaulting party's right, title and interest in the Property and all production therefrom. The party making the cover payment shall have the right to sell in any commercially reasonable manner the defaulting party's share of products of any mine developed on the Property until the cover payment and accrued interest thereon have been paid in full, or may at any time prior to such payment in full at its election:

(a) sell the defaulting party's right, title and interest in the Property to a third party in a manner provided by applicable law or otherwise in a commercially reasonable manner and upon reasonable notice; or

(b) purchase for its own account all right, title and interest of the defaulting party in the Property at the fair market value thereof.

8.13 Taking in Kind - Except as otherwise expressly provided in section 8.12, each party shall be entitled to take in kind and separately dispose of its share of products of any mine developed on the Property in accordance with its participating interest. Any expenditure incurred in the taking in kind of products by a party shall be borne by it. The division of products for the purposes of this provision shall be conducted in a fair and equitable manner.

PART 9 - AREA OF INTEREST

9.1 Area of Interest - If either party or any of its Affiliates stakes or otherwise acquires any interest in mineral claims or any other form of mineral tenure (the "AOI Tenure") located wholly or partly in an area (the "Area of Interest") within five (5) kilometres from any portion of the Property as it exists at the date of execution of this Agreement as shown on the map attached as Schedule "C", the acquiring party shall forthwith give notice to the other party of such staking or acquisition, the costs thereof and all details in its possession with respect to the nature of the AOI Tenure and the known mineralization thereon. Upon delivery of such notice:

(a) if such notice is delivered prior to the formation of the Joint Venture, the Optionee may elect by notice to the Optionor to require that such AOI Tenure be included in and thereafter form part of the Property. If the Optionee so elects and if such AOI Tenure was staked or acquired by the Optionee or any of its Affiliates, the staking or acquisition costs shall constitute Work Costs. If the Optionee so elects and if such AOI Tenure was staked or acquired by the Optionor or any of its Affiliates, the Optionee shall reimburse the Optionor for the staking or acquisition costs, which reimbursed costs shall also constitute Work Costs; and

(b) if such notice is delivered after formation of the Joint Venture, the other party may elect, by notice to the acquiring party, to require that such AOI Tenure be included in and thereafter form part of the Property, provided that the other party then holds

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a participating interest in the Property. If such AOI Tenure becomes part of the Property, the party from whom or from whose Affiliate such AOI Tenure was acquired shall be reimbursed its staking or acquisition costs, and such reimbursement shall be deemed a cost of the Joint Venture.

PART 10 - CONFIDENTIALITY

10.1 Confidentiality – All information concerning this Agreement and any matters arising from or in connection herewith (including all information relating to the Property received by the Optionee from the Optionor pursuant to sections 3.2, 6.3(a) or otherwise or received by the Optionor from the Optionee pursuant to sections 6.6 or 7.2(b) or otherwise) shall be treated as confidential by the parties and shall not be disclosed by either party to any other person (other than to an Affiliate or to the directors, officers or employees of the disclosing party or its Affiliate or to any legal, accounting, financial or other professional advisor of the disclosing party or its Affiliate, provided that such persons are under obligation to maintain confidentiality with respect to such information) without the prior written consent of the other party, such consent not to be unreasonably withheld, except to the extent that such disclosure may be necessary for observance of applicable laws or stock exchange listing requirements or for the accomplishment of the purposes of this Agreement.

10.2 News Releases and Other Documents - Each party shall provide the other with a copy of any news release or other document containing exploration results or other information about the Property or this Agreement which it proposes to publish (including on any web-site or other electronic media) prior to publication of the same for the other party's consent which shall not be unreasonably withheld or delayed in view of any timely disclosure obligations which may be applicable. Each party shall use reasonable efforts to respond to any request by the other party for such consent within two (2) business days.

10.3 Survival of Confidentiality Obligations – The provisions of this Part 10 shall survive any termination of the Option and this Agreement and the acquisition of any interest in the property by the Optionee hereunder.

PART 11 - RESTRICTIONS ON TRANSFERS AND ENCUMBRANCES

11.1 Restrictions on Transfers and Encumbrances - Except as set forth in sections 11.2 to 11.4 hereof, no party shall sell, transfer, assign or convey or grant any Encumbrance over all or any part of its interest in the Property or this Agreement or any of its rights, benefits and privileges hereunder (including any Production Royalty Interest) (collectively for purposes of this Part 11 "an interest in the Property") without the prior written consent of the other party thereto, and any attempt to sell, transfer, assign or convey or to grant any such Encumbrance over all or any part of its interest in the Property without such consent shall be of no effect.

11.2 Transfers to Affiliates - Each party may sell, transfer, assign and convey an interest in the Property to an Affiliate of such party, provided such party delivers to the other party

notice of such assignment and provided that before such Affiliate ceases to be an Affiliate of such party, the interest assigned to such Affiliate must be assigned back to such party.

11.3 Right of First Refusal - No party shall sell, assign, transfer or otherwise dispose of an interest in the Property except in accordance with sections 11.1 or 11.2 or upon the following conditions:

(a) if a party (the "Seller") desires to sell, assign, transfer or otherwise dispose of all or any part of an interest in the Property to a third party, the Seller shall first offer (the "Offer") the same in writing to the other party for cash. The Offer shall state the purchase price payable by the third party in cash in Canadian dollars or, if the purchase price is for consideration other than cash, the cash equivalent of such consideration in Canadian dollars, and shall state the other terms and conditions on which the Seller is willing to sell;

(b) the other party shall have sixty (60) days to accept the Offer. If the Offer is accepted by the other party, the Seller shall forthwith transfer to the other party the subject matter of the Offer, upon the other party paying the purchase price; and

(c) if the Offer is not accepted as to the whole of the subject matter thereof by the other party within sixty (60) days following receipt of the Offer, then, at any time during the further period of one hundred twenty (120) days immediately thereafter, the Seller may sell, assign, transfer or otherwise dispose of the subject matter of the Offer to a third party, but only at a price and on terms and conditions the same as or more favourable to the Seller than those set out in the Offer.

11.4 Encumbrances - Following formation of the Joint Venture, a party may grant an Encumbrance over its interest in the Property, but only upon the condition that the mortgagee, pledgee or other encumbrancer (the "Holder") shall have first entered into an Agreement with the other party binding upon the Holder and its assignees to the effect that the Holder and its assignees will not enter into possession of the interest subject to the Encumbrance or institute any proceedings to obtain possession thereof, but shall limit their remedies against such interest to the sale thereof, and that section 11.3 will apply to any such sale.

PART 12 - FORCE MAJEURE

12.1 Force Majeure - No party shall be liable to the other party hereto and no party shall be deemed in default hereunder for any failure to perform or delay in performing any of its obligations under this Agreement or in incurring Work Costs caused by or arising out of any event (a "force majeure event") beyond the reasonable control of such party, excluding lack of funds but including lack of rights or permission by government authorities or indigenous peoples' groups to enter upon the Property to conduct exploration, development and mining operations thereon, war conditions, actual or potential, earthquake, fire, storm, flood, explosion, strike, labour trouble, accident, riot, unavoidable casualty, act of restraint, present or future, of any lawful authority, act of

God, protest or demonstrations by environmental lobbyists or indigenous peoples' groups, act of the public enemy, delays in transportation, breakdown of machinery, inability to obtain necessary materials in the open market or unavailability of equipment. No right of a party shall be affected for failure or delay of a party to perform any of its obligations under this Agreement or to incur Work Costs, if the failure or delay is caused by a force majeure event. All times provided for in this Agreement shall be extended for the period equal to the period of delay. The affected party shall take all reasonable steps to remedy the cause of the delay attributable to the events referred to above, provided that nothing contained in this section shall require any party to settle any labour dispute, protest or demonstration, or to question or test the validity of any governmental order, regulation, law or claim of right by indigenous peoples' groups. The affected party shall promptly give notice to the other party of the commencement and termination of each period of force majeure.

PART 13 - NEGOTIATION OF FORMAL AGREEMENT

13.1 Notice to Negotiate - Prior to the exercise of the Option and thereafter so long as both parties hold participating interests in the Property, either party may give notice to the other party that it wishes to enter into negotiations with a view to settling the terms and conditions of a formal agreement incorporating the provisions of this Agreement and such other provisions as the parties may agree to incorporate into such agreement (a "Formal Agreement"). As soon as reasonably practicable after delivery of such notice by one party to the other, the parties shall enter into negotiations in good faith to settle the terms of the Formal Agreement and shall use all reasonable efforts to settle, execute and deliver the Formal Agreement within six (6) months from the date of the notice, provided that if for any reason a Formal Agreement is not settled, executed and delivered within such time, this Agreement shall remain binding on the parties and shall continue to govern their relationship and operations on the Property.

PART 14 - GENERAL

14.1 Relationship - Nothing in this Agreement shall be deemed to constitute either party the partner, agent or legal representative of the other or to create any fiduciary relationship between them, for any purpose whatsoever.

14.2 Other Activities - Nothing in this Agreement shall restrict in any way the freedom of either party, except with respect to its interest in the Property, to conduct as it sees fit any business or activity whatsoever, whether in competition with the Joint Venture or otherwise, including the exploration for, or the development, mining, production or marketing of any mineral, without any accountability to the other party. No party which is the owner or operator of another mining property, mill or other facility shall be obliged to mill, beneficiate or handle any material from the Property or otherwise deal with the Joint Venture.

14.3 Notices - Any notice, commitment, election, consent or any communication required or permitted to be given hereunder by one party hereto to the other party, in any capacity (a

"Notice") shall be in writing and shall be deemed to have been given if mailed by prepaid registered mail return receipt requested, faxed or delivered to the address of the other party set out below:

If to the Optionee:

Encore Renaissance Resources Corp.
PO Box 48474 Bentall Centre
Vancouver, BC, V5C 2M7

Attention: Michael R. Mulberry
Telephone No.: 778-227-6482
Fax No.: 604-922-4133

If to the Optionor:

BCT Mining Corp.
235 Morningside Drive
Delta, BC, V4L 2M3

Attention: Roger McClay
Telephone No.: 604-618-3231
Fax No.: 604-943-0006

or to such substitute address as such party may from time to time direct in writing, and any such Notice shall be deemed to have been received, if mailed, on the date noted on the return receipt, if faxed, on the first business day after the date of transmission, and if delivered, upon the day of delivery or if such day is not a business day, then on the first business day thereafter.

14.4 Waiver of Right of Partition - Each party waives the benefit of all provisions of law as now in effect or as enacted in future relating to actions of partition of real and personal property and agrees that for so long as this Agreement is in effect it will not resort to any action in law or in equity to partition the Property or any other real or personal property subject to this Agreement.

14.5 Interpretation - For purposes of this Agreement, headings are for convenience of reference only and are not intended to interpret, define or limit the scope of this Agreement or any provision hereof. The singular of any term includes the plural and vice versa, and use of any term is generally applicable to either gender and where applicable, a body corporate, firm or other entity. The word "including" is not limiting whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto. Unless otherwise indicated, all dollar references are to Canadian dollars.

14.6 Further Assurances - The parties hereto shall from time to time do such further acts and things and execute such further documents and instruments as may be reasonably required in order to carry out and implement this Agreement.

14.7 Amendments - No modification, variation or amendment of this Agreement shall be effective unless evidenced in writing, executed by both of the parties.

14.8 Severance - If any provision of this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, such provision may be severed from this Agreement, and the validity, legality and enforceability of the remaining provisions hereof shall not be affected or impaired by reason thereof.

14.9 Time - Time shall be of the essence of this Agreement.

14.10 Governing Law - This Agreement shall be governed by and interpreted and enforced in accordance with the laws in force in the Province of British Columbia (excluding any conflict of laws rule or principle which might refer such construction to the laws of another jurisdiction) and the applicable federal laws of Canada. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of British Columbia with respect to any matter arising hereunder or relating hereto.

14.11 Entire Agreement - This Agreement contains the entire understanding between the parties hereto dealing with the subject matter hereof and supersedes and replaces all negotiations, correspondence and prior agreements or understandings relating thereto.

14.12 Enurement - This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

14.13 Arbitration - All matters in difference between the parties in relation to this Agreement shall be referred to the arbitration of a single arbitrator, if the parties agree upon one, otherwise to three arbitrators, one to be appointed by each party and a third to be chosen by the first two named before they enter upon the business of arbitration. The award and determination of the arbitrator or arbitrators or any two of the three arbitrators shall be binding upon the parties and their respective heirs, executors, administrators and assigns.

14.14 Counterpart Execution - This Agreement may be executed in any number of counterparts with the same effect as if all parties to this Agreement had signed the same document and all counterparts will be construed together and will constitute one and the same instrument and any facsimile signature shall be taken as an original

If the terms set out in this Agreement are acceptable to you, please sign the attached duplicate and return the same to my attention at your earliest convenience, and in any event by __[date]__. This Agreement shall then constitute a binding Agreement between us.

Please provide us with a copy of any news release you intend to publish with respect to this Agreement for our prior consent which shall not be unreasonably withheld or delayed in view of your timely disclosure obligations.

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Encore Renaissance Resources Corp.

Per: _____
Authorized Signatory

Accepted and agreed to this 25th day of May, 2009

BCT Mining Corp.

Per: _____
Authorized Signatory

This is Schedule "A" to the Agreement between
Encore Renaissance Resources Corp. and BCT Mining Corp.

ADDITIONAL DEFINITIONS

For purposes of this Agreement, unless there is something in the subject matter or content inconsistent therewith:

1. "Affiliate" has the meaning given to that term in the *Business Corporations Act* (British Columbia);

2. "Agreement" means this agreement and all of the schedules hereto, as may be amended from time to time;

3. "Commencement of Commercial Production" means:

   (a) if a mill is located on the Property, the last day of a period of forty (40) consecutive days in which, for not less than thirty (30) days, the mill processed ore from the Property at not less than sixty percent (60%) of its rated capacity; and

   (b) if no mill is located on the Property, the last day of the first period of thirty (30) consecutive days during which ore has been shipped from the Property on a reasonably regular basis for the purpose of earning revenues;

   but no period of time during which ore is shipped from the Property for testing purposes, and no period of time during which milling operations are undertaken as initial tune-up, shall be taken into account in determining the date of commencement of commercial production;

4. "Encumbrance" means any privilege, mortgage, hypothec, lien, charge, pledge, security interest or adverse claim;

5. "Environmental Liability" means any claim, demand, loss, liability, damage, cost or expense (including legal fees) suffered or incurred in respect of environmental cleanup and remediation obligations and liabilities arising directly or indirectly from operations or activities conducted in or on the Property;

6. "Execution Date" means the date this Agreement is signed by the last of the parties to sign it;

7. "Feasibility Study" means the comprehensive report or several reports comprising a comprehensive report containing a description and analysis of the methods and costs of bringing into production and operation a mine on the Property or any part thereof and associated facilities related thereto, which report is in a form which would be acceptable to a financial institution for the purpose of considering whether or not to provide

financing for a mine on the property and associated facilities and which report covers: (a) the estimated recoverable reserves of minerals and the estimated average grade and tonnage thereof which may be produced from the Property; (b) the procedures for developing, mining and producing ore or concentrates from the Property; (c) the results of ore metallurgical tests; (d) the nature and extent of the machinery, equipment and facilities proposed to be acquired for the purposes of producing ore or concentrates from the Property; (e) a preliminary design for any mill or other beneficiation facilities; (f) the estimated costs, including capital budget, to purchase, construct and install all machines, equipment and facilities; (g) the estimated costs of decommissioning the mine and reclaiming the Property; (h) an economic feasibility report including an estimate of the financial return for the mine based on the estimated market price of the products from the mine; and (i) all other matters the person preparing the Feasibility Study deems relevant and material.

8. "Production Royalty Interest" means an interest in the returns generated from production on the Property determined in accordance with Schedule "D";

9. "Shares" means the common shares in the capital of the Optionee; and

10. "Work Costs" means all expenditures and costs incurred by the Optionee relating directly or indirectly to the Property, including all expenditures and costs incurred: (a) in doing geophysical, geochemical, land, airborne, environmental and geological examinations, assessments, assays, audits and surveys; (b) in linecutting, mapping, trenching and staking; (c) in searching for, digging, trucking, sampling, working, developing, mining and extracting ores, minerals and metals; (d) in conducting diamond and other drilling; (e) in obtaining, providing, installing and erecting mining, milling and other treatment plant, ancillary facilities, buildings, machinery, tools, appliances and equipment; (f) in constructing access roads and other facilities on or for the benefit of the Property or any part thereof; (g) in transporting personnel, supplies, mining, milling and other treatment plant, ancillary facilities, buildings, machinery, tools, appliances and equipment in, to or from the Property or any part thereof; (h) in paying reasonable wages and salaries (including "fringe benefits", but excluding home office costs) of personnel directly engaged in performing work on or with respect to the Property; (i) in paying assessments and contributions under applicable employment legislation relating to workers' compensation and unemployment insurance and other applicable legislation relating to such personnel; (j) in supplying food, lodging and other reasonable needs for such personnel; (k) in obtaining and maintaining any insurance; (l) in obtaining legal, accounting, consulting and other contract and professional services or facilities relating to work performed or to be performed hereunder; (m) in paying any taxes, fees, charges, payments and rentals (including payments made in lieu of assessment work) or otherwise incurred to transfer the Property or any part thereof or interest therein pursuant to this Agreement and to keep the Property or any part thereof in good standing; (n) in paying goods and services tax and social services tax and all other taxes charged on expenditures made or incurred by the Optionee relating directly or indirectly to the Property; (o) in acquiring access and surface rights to the Property; (p) in carrying out any negotiations and preparing, settling and executing any Agreements and other documents relating to

environmental or indigenous peoples' claims, requirements or matters; (q) in obtaining all necessary or appropriate approvals, permits, consents and permissions relating to the carrying out of work, including environmental permits, approvals and consents; (r) in carrying out reclamation and remediation; (s) in improving, protecting and perfecting title to the Property or any part thereof; (t) in carrying out mineral, soil, water, air and other testing; (u) in preparing engineering, geological, financing, marketing and environmental studies and reports and test work related thereto; (v) in preparing one or more Feasibility Studies including any work and reports preliminary or supplementary thereto; (w) all mine development expenses incurred in furtherance of implementing the one of more feasibility studies; and (x) a charge for management supervision and administrative services of the Optionee as provided in section 6.2 and section 8.5 of this Agreement.

This is Schedule "B" to the Agreement between
Encore Renaissance Resources Corp. and BCT Mining Corp.

THE PROPERTY

Tenure Number	Claim Name	Owner	Tenure Type	Tenure Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)
504482		217358 100%	Mineral	Claim	092I	2005/jan/21	2011/aug/15	GOOD	569.45
504717	Boner	217358 100%	Mineral	Claim	092I	2005/jan/24	2011/aug/15	GOOD	142.38
522159		217358 100%	Mineral	Claim	092I	2005/nov/10	2011/aug/15	GOOD	488.35
522160		217358 100%	Mineral	Claim	092I	2005/nov/10	2011/aug/15	GOOD	427.30
522161		217358 100%	Mineral	Claim	092I	2005/nov/10	2011/aug/15	GOOD	61.05
522329		217358 100%	Mineral	Claim	092I	2005/nov/16	2011/aug/15	GOOD	366.10
537111	UGPART	217358 100%	Mineral	Claim	092I	2006/jul/13	2011/aug/15	GOOD	162.76

This is Schedule "C" to the Agreement between Encore Renaissance Resources Corp. and BCT Mining Corp.

MAP

This is Schedule "D" to the Agreement between
Encore Renaissance Resources Corp. and BCT Mining Corp.

PRODUCTION ROYALTY

1. For the purpose of this Schedule, "Agreement" means the agreement of which this Schedule "D" forms a part, "Payor" means the party or parties paying a percentage of Production Returns pursuant to the Agreement, "Payee" means the party receiving the percentage of Production Returns and other capitalized terms have the meanings given to them in this Schedule "D" or elsewhere in this Agreement.

2. For the purposes hereof, the term "Production Returns" shall, subject to paragraphs 3 to 7 inclusive below, mean gross revenues received from the sale by the Payor of all ore mined from the Property and from the sale by the Payor of all concentrate, metal and products derived from ore mined from the Property, after deduction of the following:

   (a) all smelting and refining costs, sampling, assaying and treatment charges and penalties including but not limited to metal losses, penalties for impurities and charges for refining, selling and handling by the smelter, refinery or other purchaser (including price participation charges by smelters and/or refiners);

   (b) costs of handling, transporting, securing and insuring such material from the Property or from a concentrator, whether situated on or off the Property, to a smelter, refinery or other place of treatment, and in the case of gold or silver concentrates, security costs;

   (c) *ad valorem* taxes and taxes based upon sales or production, but not income taxes; and

   (d) marketing costs, including sales commissions, incurred in selling ore mined from the Property and in selling concentrate, metal and products derived from ore mined from the Property.

3. Where revenue otherwise to be included under this Schedule is received by the Payor in a transaction with a party with whom it is not dealing at arm's length, the revenue to be included shall be based on the fair market value under the circumstances and at the time of the transaction.

4. Where a cost otherwise deductible under this Schedule is incurred by the Payor in a transaction with a party with whom it is not dealing at arm's length, the cost to be deducted shall be the fair market cost under the circumstances and at the time of the transaction.

5. For the purposes of determining Production Returns, all receipts and major disbursements in a currency other than Canadian shall be converted into Canadian currency on the day of receipt or disbursement, as the case may be, and all other disbursements in a currency

other than Canadian shall be converted into Canadian currency at the average rate for the month of disbursement determined using the Bank of Canada noon rates.

6. The Payor may, but shall not be under any duty to, engage in price protection (hedging) or speculative transactions such as futures contracts and commodity options in its sole discretion covering all or part of production from the Property and, except in the case where Products are actually delivered and a sale is actually consummated under such price protection or speculative transactions, none of the revenues, costs, profits or losses from such transactions shall be taken into account in calculating Production Returns or any interest therein.

7. Upon the Commencement of Commercial Production, the Property may be operated as a single operation with other mining properties owned by third parties or in which the Payor has an interest, in which event, the parties agree that (notwithstanding separate ownership thereof) ores mined from the mining properties (including the Property) may be blended at the time of mining or at any time thereafter, provided, however, that the respective mining properties shall bear and have allocated to them their proportionate part of costs described in paragraphs 2(a) to 2(d) above incurred relating to such single operation, and shall have allocated to each of them the proportionate part of the revenues earned relating to such single operation. In making any such allocation, effect shall be given to the tonnages of ore and other material mined and beneficiated and the characteristics of such material including the metal content of ore removed from, and to any special charges relating particularly to ore, concentrates or other products or the treatment thereof derived from, any of such mining properties. The Payor shall ensure that reasonable practices and procedures are adopted and employed for weighing, determining moisture content, sampling and assaying and determining recovery factors.

8. Payments of a percentage of Production Returns shall be made within 30 days after the end of each calendar quarter in which Production Returns, as determined on the basis of final adjusted invoices, are received by the Payor. All such payments shall be made in Canadian dollars.

9. After the year in which the Commencement of Commercial Production occurs, the Payee shall be provided annually on or before April 1 with a copy of the calculation of Production Returns for the preceding calendar year, determined in accordance with this Schedule "D" and certified correct by the Payor.

10. Nothing contained in the Agreement or any Schedule attached thereto shall be construed as conferring upon the Payee any right to or beneficial interest in the Property. The right to receive a percentage of Production Returns from the Payor as and when due is and shall be deemed to be a contractual right only. The right of the Payee to receive a percentage of Production Returns from the Payor as and when due shall not be deemed to constitute the Payor the partner, agent or legal representative of the Payee or to create any fiduciary relationship between them for any purpose whatsoever.

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11. The Payor shall be entitled to (a) make all operational decisions with respect to the methods and extent of mining and processing of ore, concentrate, metal and products produced from the Property (including the decision to process by heap leaching rather than conventional milling); (b) make all decisions relating to sales of such ore, concentrate, metal and products produced; and (c) make all decisions concerning temporary or long-term cessation of operations.

12. All Production Royalty payments shall be considered final and in full satisfaction of all obligations of the Payor with respect thereto, unless the Payee gives the Payor written notice describing and setting forth a specific objection to the calculation thereof (an "Objection Notice") within twelve (12) months after receipt by the Payee of the calculation herein provided for. If the Payee delivers an Objection Notice, the Payee shall, for a period of thirty (30) days after the Payor's receipt of written notice of such objection, have the right, upon reasonable notice and at a reasonable time, to have the Payor's accounts and records relating to the calculation of the Production Royalty audited by a chartered accountant acceptable to the Payee and to the Payor, each acting reasonably. If such audit determines that there has been a deficiency or an excess in the payment made to the Payee, such deficiency or excess shall be resolved by adjusting the next quarterly Production Royalty payment due hereunder. The Payee shall pay all costs of such audit unless a deficiency of more than ten percent (10%) of the amount due is determined to exist. The Payor shall pay all costs of such audit if a deficiency of more than ten percent (10%) of the amount due is determined to exist. If the Payee does not deliver an Objection Notice to the Payor within such twelve (12) month period, the calculation shall be deemed to be correct for all purposes.

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