AGENCY AGREEMENT

May 30, 2008

Celtic Minerals Ltd.
#1000, 407-2nd Street S.W.
Calgary, AB T2P 2Y3

Attention: Kevin Flaherty, Chief Executive Officer

Dear Sirs:

The undersigned, Jennings Capital Inc. (the "**Agent**") understands that Celtic Minerals Ltd. (the "**Company**") proposes to issue and sell, on a private placement basis, an aggregate of a maximum of 9,090,909 common shares to be issued as "flow-through shares" pursuant to the *Income Tax Act* (Canada) (each a "**Flow-Through Share**" and collectively, "**Flow-Through Shares**"), at a price of $0.55 per Flow-Through Share (the "**FT Issue Price**") to raise gross proceeds of up to $5,000,000 (the "**Offering**"). The Offering will be completed through one or more Closings with the initial Closing taking place on the Initial Closing Date (as defined below).

Subject to the terms and conditions set out in this Agreement (as defined below), the Agent hereby agrees to offer for sale on a "best-efforts" basis as agent for the Company, without underwriting liability, and by its acceptance hereof, the Company agrees to create, issue and sell and hereby exclusively appoints the Agent, subject to the Special Selling Group, to sell the Flow-Through Shares at the Closing Time on each Closing Date at the FT Issue Price per Flow-Through Share payable at the Closing Time on each Closing Date, and for the purpose of arranging for purchasers of the Flow-Through Shares. The Company and the Agent agree and understand that the Agent, in consultation with the Company, shall appoint one or more registered dealers (the "**Special Selling Group**") that shall be entitled to sell the up to 3,636,363 of the Flow-Through Shares being offered for sale under the Offering, for a maximum aggregate proceeds of $2,000,000, and that such Special Selling Group shall receive from the Agent, out of the commission payable by the Company to the Agent hereunder, a commission equal to 3.5% of the gross proceeds of the Flow-Through Shares that it shall sell. To the extent that the Special Selling Group does not sell its full allocation of Flow-Through Shares (i.e., obtain signed subscription agreements for its allocation of Flow-Through Shares by no later than 24 hours before each Closing Date), the Agent shall have the right to sell the unsold Flow-Through Shares.

In consideration for the services to be rendered by the Agent in connection with the Offering and all other matters in connection with the issue and sale of the Flow-Through Shares, the Company shall pay to the Agent a commission in accordance with the provisions of paragraph 9 and will also issue to the Agent at the Closing Time on each Closing Date compensation warrants (the "**Agent's Warrants"**), entitling the Agent to acquire such number of common shares of the Company equal to 7% of the Flow-Through Shares sold pursuant to the individual Closing. Each Agent's Warrant shall entitle the holder thereof to purchase one Common Share (an "**Agent's Share**") for a strike price of $0.55 for a period of two years from the applicable Closing Date (the "**Termination Time**"). Such Agent's Warrants shall be exercisable at any time and from time to time by the Agent until the Termination Time. The Special Selling Group shall be entitled to receive out of the Agent's Warrants issuable to the Agent hereunder, Agent's Warrants entitling the holder thereof to acquire such Agent's Shares equal to 3.5% of the Flow-Through Shares sold by the Special Selling Group, which Agent's Warrants shall be registered as directed by the Agent. For greater certainty, amounts payable, and the remainder of the Agent's Warrants issuable, to the Special Selling Group shall come from the amounts payable and issuable to the Agent hereunder, and the Company shall not be obligated to pay such amounts.

The Company hereby appoints the Agent as the Company's exclusive Agent until the earlier of (i) the Company receiving gross proceeds under the Offering to a minimum of $4,000,000 and (ii) June 30, 2008, subject to extension of the Offering thereafter by mutual agreement.

The Offering is conditional upon and subject to the additional terms and conditions set forth below.

1. Interpretation.

1.1 In this Agreement and the Schedules hereto, in addition to the terms defined above, unless otherwise indicated or unless the context otherwise requires, the following terms shall have the following meanings:

"**affiliate**" has the meaning ascribed thereto in the *Securities Act* (Ontario);

"**Agent's Commission**" has the meaning ascribed to that term in paragraph 9(a);

"**Agent's Shares**" means the Common Shares issuable on the exercise of the Agent's Warrants;

"**Agent's Warrants**" has the meaning ascribed to that term above;

"**Agent's Warrant Certificates**" means the certificates representing the Agent's Warrants;

"**Agreement**" means this agreement and includes the schedules hereto, as modified, amended and/or supplemented from time to time;

"**Ancillary Documents**" means all agreements (including the Subscription Agreements), certificates (including the certificates representing the Agent's Warrants Certificate, officer's certificates of the Company and of any Subsidiary, notices and other documents executed and delivered, or to be executed and delivered, by the Company in connection with Offering;

"**Applicable Laws**" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, written policies, judicial or arbitral or administrative or ministerial or departmental or regulatory judgements, orders, decisions, rulings or awards, including general principles of common and civil law, and conditions of any grant of approval, permission, authority or license of any court, governmental entity or statutory body or regulatory body (including the TSX-V) applicable to the Offering and includes without limitation Canadian Securities Laws;

"**Business Day**" means a day which is not a Saturday, a Sunday or a statutory or civic holiday, or a day on which commercial banks are not open for business, in the City of Toronto, Ontario or the City of Calgary, Alberta;

"**Canadian Exploration Expense(s)**" or "**CEE**" means Canadian exploration expense described in paragraphs (f) (g) or (g.1) of the definition of Canadian exploration expense in subsection 66.1(6) of the ITA or that would be described in paragraph (h) of such definition if the reference therein to "paragraphs (a) to (d) and (f) to (g.1)" were a reference to "paragraphs (f) and (g.1)", excluding amounts which are prescribed to constitute "Canadian exploration and development overhead expense" under the ITA, the amount of any assistance described in paragraph 66(12.6)(a) of the Act and any "specified expense" described in paragraph 66(12.6)(b.1) of the ITA.

"**Canadian Securities Laws**" means all applicable securities laws in each of the Qualifying Jurisdictions and the respective rules and regulations made thereunder, together with applicable published policy statements, instruments, orders and rulings of the securities regulatory authorities in such provinces;

"**Claim**" has the meaning ascribed to it in paragraph 11(c);

"**Closing**" means the completion of an issue and sale by the Company, and the purchase by the Purchasers, of the Flow-Through Shares pursuant to the Subscription Agreements;

"**Closing Date**" means the date upon which a Closing shall occur;

"**Closing Time**" means 11:00 a.m. (Toronto time) or such other time as the Company and the Agent may agree;

"**Commitment Amount"** means an amount equal to $0.55 multiplied by the number of Flow-Through Shares subscribed and paid for pursuant to the Subscription Agreement for the Offering;

"**Common Share**" means a common share in the capital of the Company;

"**Company Subsidiaries**" means the companies that are the direct and indirect subsidiaries of the Company as more particularly set forth in Schedule "A";

"**CRA**" means the Canada Revenue Agency;

"**Disclosure Documents**" means all information regarding the Company (and its predecessors) that is, or becomes, publicly available on SEDAR or otherwise available to the public, including the Financial Statements, press releases, material change reports, prospectuses, information circulars, and Technical Reports;

"**distribution**" means distribution or distribution to the public, as the case may be, as those terms are defined in Canadian Securities Laws;

"**Exchange**" means the TSX-V;

"**Expenditure Period** means the period commencing on the date of acceptance by the Company of the Subscription Agreement for the Offering and ending on the earlier of:

(i) the date on which the Commitment Amount has been fully expended in accordance with the terms hereof; and

(ii) December 31, 2009;

"**Financial Statements**" means the audited consolidated financial statements of the Company for the year ended December 31, 2007, in each case prepared in accordance with Canadian generally accepted accounting principles;

"**Flow-Through Shares**" means Common Shares which are "flow-through shares" as defined in subsection 66(15) of the Tax Act and which entitle the a holder thereof to a renunciation of CEE;

"**including**" means "including without limitation";

"**Indemnified Party**" and "**Indemnified Parties**" have the meanings ascribed thereto in paragraph 11(a);

"**Indemnifier**" has the meaning ascribed thereto in paragraph 11(a);

"**Initial Closing Date**" means May 30, 2008 or such other date as the Company and the Agent may agree upon for the initial Closing;

"**ITA**" means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time;

"**Material Adverse Effect**" means any change, fact, event, circumstance or state of being which could reasonably be expected to have a material and adverse effect (actual or anticipated, whether financial or otherwise) on the business, affairs, operations, Properties, Permits, assets, liabilities (contingent or otherwise), capital, prospects, results of operations or condition (financial or otherwise) of the Company and its Subsidiaries (taken as a whole);

"**misrepresentation**", "**material fact**", "**material change**" and "**distribution**" have the respective meanings ascribed to them in the *Securities Act* (Ontario);

"**NI 51-102**" means National Instrument 51-102 of the Canadian Securities Administrators, and includes any replacements or modifications thereof;

"**Offering**" means the offering of the Flow-Through Shares contemplated by this Agreement;

"**Offering Jurisdictions**" means the Qualifying Jurisdictions and any other jurisdiction as may be agreed upon between the Company and the Agent;

"**Permits**" means the permits and licenses as applicable in respect of each Property as disclosed in the Disclosure Documents;

"**Person**" means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;

"**Principal Business Company** means a "principal-business corporation" as defined in subsection 66(15) of the ITA;

"**Properties**" means the mineral properties and projects of the Company and the Subsidiaries as described in the Disclosure Documents and "**Property**" means any one of them;

"**Purchasers**" means the Persons who as purchasers acquire Flow-Through Shares by duly completing and executing the Subscription Documents, and permitted assignees or transferees of such persons from time to time;

"**Qualifying Expenditures** means expenses that are CEE at the date they are incurred to the extent permitted to be renounced by the Company to Purchasers of the Flow-Through Shares;

"**Qualifying Jurisdictions**" means the provinces of Alberta, British Columbia and Ontario;

"**SEDAR**" means the System for Electronic Document Analysis and retrieval established by National Instrument 13-101 of the Canadian Securities Administrators;

"**Special Selling Group**" means the group of registered dealers that shall have the right to sell up to 3,636,363 Flow-Through Shares being offered under the Offering for maximum aggregate proceeds of $2,000,000, and for which it shall receive (i) a commission equal to 3.5% of the Flow-Through Shares that it shall have sold, and (ii) the Agent's Warrants equal to 3.5% of the Flow-Through Shares it shall have sold, as contemplated herein;

"**Subscription Agreements**" means the subscription agreement with respect to the Offering, in the form agreed upon by the Company and the Agent, pursuant to which Purchasers agree to subscribe for and purchase Flow-Through Shares;

"**Subscription Documents**" means, with respect to a Purchaser, the applicable Subscription Agreement duly completed by the Purchaser together with all applicable duly completed schedules to the Subscription Agreement in the forms attached thereto and any other forms or documents required under Canadian Securities Laws or any other Applicable Laws;

"**Subsidiaries**" means the Company Subsidiaries;

"**Technical Reports**" has the meaning ascribed to that term in National Instrument 43-101 of the Canadian Securities Administrators;

"**Termination Time**" means 4:00 p.m. (Calgary time) on the date that is two years from the relevant Closing Date; and

"**TSX-V**" means The TSX Venture.

1.2 Knowledge. Where any representation or warranty contained in this Agreement or any Ancillary Document is expressly qualified by reference to the "knowledge" of the Company, or where any other reference is made herein or in any Ancillary Document to the knowledge of the Company, it shall be deemed to refer to the actual knowledge of Kevin Flaherty, after having made due enquiry of appropriate and relevant Persons.

1.3 Business Days. Where any action or step is to be taken or completed on or by a specified date, and such date is not a Business Day in the applicable jurisdiction, then such action or step may be taken or completed on the next following Business Day.

1.4 Plural and Gender. Whenever used in this Agreement, words importing the singular number only shall include the plural and *vice versa* and words importing the masculine gender shall include the feminine gender and neuter.

1.5 Currency. All references to monetary amounts in this Agreement to "$" or to "Cdn.$" are to lawful money of Canada unless otherwise specified.

1.6 Schedules. The following schedules are attached to this Agreement and are deemed to be a part of and incorporated into this Agreement:

Schedule	**Title**
A	Subsidiaries
B	Material Properties
C	Option Agreements

2. Terms and Conditions.

2.1 Sale on Exempt Basis. The Flow-Through Shares shall be offered by the Agent in the Qualifying Jurisdictions in compliance with the Canadian Securities Laws and only to such Purchasers and in such manner to reasonably ensure that, pursuant to the provisions of applicable Canadian Securities Laws, no prospectus (as such term is defined in Canadian Securities Laws) or other similar document need be filed or delivered in connection therewith. The Agent covenants with the Company that it will: (i) obtain from each Purchaser an appropriate executed Subscription Agreement; (ii) use commercially reasonable efforts to ensure that any selling agent appointed by the Agent in connection with sales of the Flow-Through Shares agrees with the Agent to comply with the covenants and obligations of the Agent contained herein; and (iii) execute and deliver to the Company, subject to the terms and conditions of this Agreement, any certificate required to be executed by them under Canadian Securities Laws in connection with the Offering provided that the Agent is satisfied, acting reasonably, that it is appropriate and responsible to do so. The Agent represents and warrants that it and, to the best of its knowledge, each other party to whom an Agent's Warrant is being issued is registered under Canadian Securities Laws. The Company shall have the right to reject, or accept in part only, subscriptions received.

2.2 Legal Compliance. The Company undertakes to file or cause to be filed, within the time periods stipulated by Applicable Laws, all forms, undertakings and other documents required to be filed by the Company under Applicable Laws in connection with the offer and sale of the Flow-Through Shares, in order that the distribution of the Flow-Through Shares may lawfully occur without the necessity of filing a prospectus or similar document in Canada. All fees payable in connection with such filings shall be at the sole expense of the Company. The Company further agrees to comply with all Canadian Securities Laws and applicable stock exchange requirements (including those of the Exchange) in connection with the distribution of the Flow-Through Shares.

2.3 Restrictions on Sales Outside the Offering Jurisdictions. The Agent agrees not to offer and sell the Flow-Through Shares in a manner that would require registration of any of the Flow-Through Shares or the filing of a prospectus or any similar document under the laws of any Offering Jurisdictions.

2.4 No Media. Subject to paragraph 13, neither the Company nor the Agent shall cause the sale of the Flow-Through Shares to be advertised in printed media of general and regular paid circulation, radio or television or telecommunications, including electronic display such as the Internet.

2.5 Securities Laws. The Agent covenants and agrees with the Company that it shall conduct, and shall use commercially reasonable efforts to cause its affiliates and any person acting on its behalf to conduct, activities in connection with arranging for the offer and sale of the Flow-Through Shares in compliance with Applicable Laws.

2.6 TSX Venture Exchange. The obligation of the Agent to complete the transactions contemplated herein shall be conditional upon the TSX-V conditionally approving for listing the Flow-Through Shares on the terms and conditions contemplated herein, and the TSX-V conditionally agreeing to list the Agent's Shares issuable on the exercise of the Agent's Warrants, and the Company agrees to use its commercially reasonable efforts to obtain, prior to the Initial Closing Date, the necessary approvals of the TSX-V in respect thereof on such conditions as are acceptable to the Agent, acting reasonably.

(i) **Black-Out Period**. The Company agrees that, for a period of 120 days from the Initial Closing Date, it shall not, without the prior written consent of the Agent, which consent shall not be unreasonably withheld, offer, sell or announce the offering of, make or announce any agreement to issue, sell or exchange Common Shares or any securities convertible or exchangeable into Common Shares, other than pursuant to: (i) the grant or exercise of stock options pursuant to any stock option plan in place at the Closing Time on the Initial Closing Date and that does not require disinterested shareholder approval, (ii) the issue of Common Shares pursuant to the Agent's Warrants, (iii) the agent's compensation warrants granted to the Agent pursuant to the private placement of flow-through shares by the Company in October 2007 (the "**2007 Agent's Option**"), and (iv) the issue of shares pursuant to existing options and option agreements entered into in the ordinary course of business.

3. Covenants of the Company.

In addition to the covenants of the Company set out in the other paragraphs of this Agreement, the Company hereby covenants to and for the benefit of the Agent that:

(a) The Company shall use commercially reasonable efforts to comply with its obligations under Canadian Securities Laws and under other Applicable Laws for a period of two years from the Initial Closing Date;

(b) the Company shall use its commercially reasonable efforts to ensure that the Flow-Through Shares and Agent's Shares are or will be listed and posted for trading on the TSX-V upon their issue when the applicable "hold periods" under Canadian Securities Laws expire;

(c) the Company shall fulfil or shall cause to be fulfilled each of the conditions set out in paragraph 7 (except with respect to paragraphs 7(a), which the Company shall use its reasonable best efforts to fulfil);

(d) the Company will deliver to the Agent copies of all correspondence and other written communications between the Company, the securities regulatory authorities of the Offering Jurisdictions and other jurisdictions, the TSX-V, relating to the Offering and will generally keep the Agent apprised of the progress and status of, including all favourable and adverse developments relating to, the Offering;

(e) the Company shall use its commercially reasonable efforts to obtain, to the extent not already obtained, all consents and approvals from the securities regulatory authorities of the Offering Jurisdictions, CRA, provincial taxing authorities and the TSX-V in connection with the Offering, in each case on such terms as are mutually acceptable to the Company and the Agent, and shall make all necessary filings and give any required notices and use its commercially reasonable efforts to obtain all other necessary governmental, regulatory and other consents, authorizations and approvals required in connection with the Offering;

(f) the Company shall fulfil all legal requirements to permit: (i) the creation, issue, offering and sale of the Flow-Through Shares, (ii) the creation and issue of the Agent's Warrants, and (iii) the allotment, reservation and issue of the Agent's Shares issuable upon exercise of the Agent's Warrants, as contemplated in this Agreement including in compliance with the Applicable Laws to enable the Flow-Through Shares to be offered for sale and sold under this Agreement and the Subscription Agreements and to enable the Agent's Warrants and Agent's Shares to be issued, in each case without the necessity of filing a prospectus;

(g) ensure that at all times sufficient Agent's Shares are allotted and reserved for issuance upon the due and proper exercise of the Agent's Warrants;

(h) at all times prior to the completion of the distribution of the Flow-Through Shares the Company shall at all times continue to operate its business and the businesses of the Subsidiaries in the ordinary course, in compliance with all Applicable Laws and shall notify the Agent of any material changes or changes of material fact in the respective businesses, affairs, operations, assets, Properties, Permits, prospects, condition (financial or otherwise), capital or liabilities (contingent or otherwise) of the Company or any Subsidiary;

(i) the Company shall forthwith notify the Agent of any breach of any covenant of this Agreement, or any Ancillary Documents by any party thereto, or upon it becoming aware that any representation or warranty of the Company contained in this Agreement, the Subscription Agreements or any Ancillary Document becoming untrue or inaccurate in any material respect;

(j) the Company will only use an amount of funds equal to the gross proceeds from the Offering on exploration expenditures which are eligible as CEE under the ITA for the year 2008, which expenditures are to be spent on the Company's mineral properties listed in Schedule "B" hereto, for drilling, geophysical and geological surveys.

(k) the Company will keep proper books, records and accounts of all Qualifying Expenditures and all transactions affecting the Commitment Amount and the Qualifying Expenditures and, in the event the CRA denies or proposes to deny the deduction of Qualifying Expenditures renounced to a Purchaser under the Offering hereunder and upon reasonable notice and on a reasonable basis, to make such books, records and accounts available for inspection and review by or on behalf of such Purchaser at the Purchaser's expense for the sole purpose of responding to the demand or proposal of the CRA;

(l) the Company will incur, during the Expenditure Period, Qualifying Expenditures in such amount as enables the Company to renounce to a Purchaser under the Offering, Qualifying Expenditures in an amount equal to the Commitment Amount;

(m) the Company will renounce to Purchasers under the Offering, effective on or before December 31, 2008, Qualifying Expenditures incurred during the Expenditure Period as required under the ITA in an amount equal to the Commitment Amount and in any event an amount not less than the Commitment Amount;

(n) the Company will deliver to each Purchaser under the Offering within the time period required by the ITA and, in any event, no later than March 31, 2009, a statement setting forth the aggregate amounts of Qualifying Expenditures renounced to such Purchaser;

(o) all Qualifying Expenditures renounced to Purchasers under the Offering will be Qualifying Expenditures incurred by the Company that, but for the renunciation to such Purchasers, the Company would be entitled to deduct in computing its income for the purposes of Part I of the ITA;

(p) the Company will not include, in computing Qualifying Expenditures renounced to Purchasers under the Offering, expenses that are "Canadian exploration and development overhead expenses" (as defined in the regulations to the ITA for purposes of paragraph 66(12.6)(b) of the ITA) of the Company or amounts which constitute specified expenses for seismic data described in paragraph 66(12.6)(b.1) of the ITA or any expenses for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition of "expense" in subsection 66(15) of the ITA;

(q) the Company will not include, in computing Qualifying Expenditures renounced to Purchasers under the Offering, any amount of expenses that has previously been renounced by the Company to such Purchasers or to any other person;

(r) the Company will not reduce the amount to be renounced to Purchasers under the Offering and, in the event the Minister of National Revenue (the "**MNR**") reduces the amount renounced to such Purchasers pursuant to subsection 66(12.73) of the ITA, the Company shall renounce such lesser amount as is permitted by the MNR without any prejudice to any other rights the Purchaser may have under this Agreement, and the Company shall indemnify such Purchasers, as to, and pay to the Purchaser, an amount equal to the amount of any tax payable under the ITA (and under any corresponding provincial legislation) by the Purchaser as a consequence of any reduction by the Company or the MNR, such payment to be made on a timely basis once the amount is definitively determined, provided that in the event the Company has fully satisfied its obligations in respect of the indemnity in accordance with this provision, all obligations of the Company hereunder to renounce to the Purchaser any amount of the Qualifying Expenditures shall immediately thereafter cease;

(s) if the Company does not renounce to Purchasers under the Offering Qualifying Expenditures equal to the Commitment Amount effective on or before December 31, 2008, the Company shall indemnify each Purchaser, and pay to the Purchaser, an amount equal to the amount of any tax payable under the ITA and under any corresponding provincial legislation by the Purchaser as a consequence of such failure, such payment to be made on a timely basis once the amount is definitively determined provided that in the event the Company has fully satisfied its obligations in respect of the indemnity in accordance with this provision, all obligations of the Company hereunder to renounce to the Purchaser any amount of the Qualifying Expenditures shall immediately thereafter cease;

(t) the Company will maintain its status as a Principal Business Company until the earlier of January 1, 2010 and the date the Company has fulfilled its obligations to incur and renounce to Purchasers under the Offering Qualifying Expenditures in an amount equal to the Commitment Amount;

(u) to comply with the filing requirements of paragraph 66(12.68) of the ITA and to file all prescribed forms required under the ITA with respect to the issuance of the Flow-Through Shares as "flow-through shares" as defined in subsection 66(15) of the ITA and that are necessary to renounce Qualifying Expenditures equal to the Commitment Amount to Purchasers under the Offering effective on or before December 31, 2008 and to provide such Purchasers with a copy of all such forms as are required to be provided thereto, all on timely basis;

(v) that the Company will not be subject to the provisions of subsection 66(12.67) of the Act in a manner which impairs its ability to renounce Qualifying Expenditures to the Subscriber in an amount equal to the Commitment Amount;

(w) the Company will refrain from entering into transactions or taking deductions which would otherwise reduce its cumulative CEE to an extent it would preclude renunciation of Qualifying Expenditures hereunder in an amount equal to the Commitment Amount as contemplated herein; and

(x) that the Company shall renounce Qualifying Expenditures equal to the Commitment Amount to Purchasers under the Offering pro rata based on the number of Flow-Through Shares issued or to be issued pursuant thereto before renouncing Qualifying Expenditures pursuant to any other agreement (a "**Subsequent Agreement**") which the Company shall subsequently, after the Initial Closing Date, enter into. If the Company reduces Qualifying Expenditures previously renounced to Purchasers under the Offering, such reduction shall, to the extent possible, be made pro rata based on the number of Flow-Through Shares issued under the Offering only after it has first reduced, to the extent possible, all Qualifying Expenditures renounced to persons under Subsequent Agreements;

4. Material Changes During Distribution. During the period from the date hereof to the completion of the distribution and issuance of all of the Flow-Through Shares, the Company shall, upon becoming aware of the same, promptly notify the Agent (and, if requested by the Agent, confirm such notification in writing) and provide full particulars to the Agent of any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), condition (financial or otherwise), Properties, Permits, prospects or capital of the Company and/or the Subsidiaries. The Company shall promptly, and in any event, within any applicable time limitation periods prescribed by Canadian Securities Laws, comply with all applicable filing and other requirements under Canadian Securities Laws as a result of any such change, provided however that the Company shall not file or publicly issue any document in respect of any such change without first providing the Agent with a copy of such document and an opportunity to review and comment thereon. The Company shall in good faith discuss with the Agent any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to this paragraph 4.

5. Representations and Warranties. The Company represents and warrants to the Agent and the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in completing one or more Closings, that as of the Closing Time on each Closing Date or as of such other time as is contemplated by any representation or warranty set forth below:

(a) the Company has been duly incorporated and is validly existing under the laws of the Province of Alberta and has all requisite corporate power, capacity and authority to (i) own, lease and operate its Properties and assets and conduct its business as currently conducted or proposed to be conducted and to execute, deliver and carry out its obligations under this Agreement, the Subscription Agreements, the Agent's Warrants Certificate and all Ancillary Documents, and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder in accordance with the terms hereof and thereof, (ii) create and issue the Agent's Warrants, (iii) create, offer, issue and sell the Flow-Through Shares in accordance with this Agreement, and (iv) to allot, reserve, issue and deliver the Agent's Shares in accordance with this Agreement;

(b) the Company is (i) current with all filings required to be made under its jurisdiction of incorporation and all other jurisdictions in which it exists or carries on any material business and (ii) has, and will upon completion of the Offering have, all necessary licences, leases, permits, authorizations and other approvals necessary to permit it to conduct its business as currently conducted or proposed to be conducted, except for certain permits, authorizations and approvals required in connection with operations on the Properties or where the failure to make any filing or obtain any licence, lease, permit, authorization or other approval does not have a Material Adverse Effect;

(c) each of the Subsidiaries has been duly incorporated and is validly existing under the laws of its jurisdiction of incorporation and has all requisite corporate power, capacity and authority to own, lease and operate, as applicable, its Properties, Permits and assets and conduct its business as currently conducted or proposed to be conducted, and each of the Subsidiaries is current with all filings required to be made under their respective jurisdictions of incorporation and all other jurisdictions in which they exist or carry on any material business and have, and will upon completion of the Offering have, all necessary licences, leases, permits, authorizations and other approvals necessary to permit them to conduct their business as currently conducted or proposed to be conducted, except where the absence of such power or authority or failure to make any filing or obtain any licence, lease, permit, authorization or other approval does not have a Material Adverse Effect;

(d) the Company has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the Ancillary Documents and to observe and perform the provisions of this Agreement and the Ancillary Documents in accordance with the provisions hereof and thereunder including, the creation, issue, sale and delivery of the Flow-Through Shares, the creation and issuance of the Agent's Warrants and the issue and delivery of the Agent's Shares upon the exercise of the Agent's Warrants;

(e) none of the Company or any Subsidiary has committed an act of bankruptcy or is insolvent, has proposed a compromise or arrangement to its creditors generally, has had a petition or a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any proceedings with respect to a compromise or arrangement, has taken any proceedings to have itself declared bankrupt or wound-up, has taken any proceedings to have a receiver appointed for any of its property or has had any execution or distress become enforceable or become levied upon any of its property or assets;

(f) the authorized capital of the Company consists of an unlimited number of Common Shares and unlimited number of 1st preferred shares and an unlimited number of 2nd preferred shares, of which as of the date hereof, 67,351,677 Common Shares were issued and outstanding as fully paid and non-assessable shares and no 1st preferred shares or 2nd preferred shares were issued and outstanding. As of the date hereof, other than: (i) an aggregate of 3,125,000 options to acquire an aggregate of 3,125,000 Common Shares and (ii) an aggregate of 420,000 2007 Agent's Options to acquire an aggregate of 420,000 Common Shares, and (iii) option agreements entitling optionors to acquire on certain conditions 375,000 Common Shares, and other than pursuant to the Flow-Through Shares and Agent's Warrants, no Person will have any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued shares or other securities of the Company;

(g) the issued and outstanding equity securities of the Subsidiaries are fully and accurately set out in Schedule "A" and are held, directly or indirectly, by the Company as indicated therein. No Person has, or will upon completion of the Offering have, any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued or outstanding shares or other securities of any Subsidiary;

(h) the Properties are all of the material mineral properties of the Company and its Subsidiaries. Other than pursuant to the agreements set forth in Schedule "C" hereto, no Person has, or will upon completion of the Offering have, any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase or acquisition of an interest in any of the Properties;

(i) there are no, and at the Closing Time on each Closing Date, there will be no shareholders' agreements to which the Company or any Subsidiary is a party, and to the best knowledge of the Company there are no, and at the Closing Time on each Closing Date there will be no, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the securities of the Company or any Subsidiary. There are no, and at the Closing Time on each Closing Date there will be no, agreement or other instrument pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in the Company or any Subsidiary;

(j) all necessary corporate action has been taken by the Company to authorize the valid creation, issue and sale of, and the delivery and execution by the Company of certificates representing the (i) Flow-Through Shares, (ii) Agent's Warrants, and (iii) the Agent's Shares;

(k) upon payment of the requisite consideration therefor the Flow-Through Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company and the Agent's Warrants will be validly issued; and upon exercise of the Agent's Warrants and payment of the requisite consideration therefor, the Agent's Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;

(l) none of the: (i) creation and issuance of the Agent's Warrants, (ii) creation, issuance, sale and delivery, as applicable of the Flow-Through Shares and Agent's Shares (iii) the execution and delivery of this Agreement and the Ancillary Documents, (iv) the compliance by the Company with the provisions of this Agreement and the Ancillary Documents, or (v) the consummation of the transactions contemplated herein and therein including, do or will (X) require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any governmental agency, body or authority, court, stock exchange, securities regulatory authority or other Person, except (A) such as have been obtained, or (B) such as may be required under applicable Canadian Securities Laws of the Qualifying Jurisdictions and will be obtained in compliance with the requirements of Canadian Securities Laws and the TSX-V, or (Y) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under (whether after notice or lapse of time or both), any indenture, mortgage, deed of trust, lease or other material agreement or instrument to which the Company or any Subsidiary is a party or by which any of them or any of the Properties, Permits or assets thereof are bound, or the articles or by-laws or any other constating document of the Company or any Subsidiary or any resolution passed by the directors (or any committee thereof) or shareholders of the Company or any Subsidiary;

(m) at the Closing Time on each Closing Date: (i) all necessary action will have been taken by the Company to create and duly issue (as the case may be) the Flow-Through Shares and Agent's Warrants, and (iii) all necessary action will have been taken by the Company to duly allot and reserve for issuance the Agent's Shares and such shares will be duly allotted and reserved for issuance;

(n) this Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding obligation of the Company enforceable against the Company in accordance with the terms hereof and each of the Ancillary Documents has been duly authorized and, upon execution and delivery by the Company, will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law;

(o) the Company has filed with all applicable regulatory authorities all documents, including the Disclosure Documents, required under Applicable Laws, except for the National Instrument Form 45-106F1 – Report of Exempt Distribution – to be filed pursuant to this Offering and those documents required to be delivered post-closing pursuant to the conditional approval letter of the TSX dated April 30, 2008. The Disclosure Documents complied in all material respects with Canadian Securities Laws at the time they were filed. There is no material fact known to the Company which the Company has not disclosed to, or which the Company has withheld from, the Agent or which is not publicly disclosed in the Disclosure Documents and which results or may reasonably be expected to result in a Material Adverse Effect or which materially adversely affects or which may reasonably be expected to materially adversely affect the ability of the Company to perform its obligations under this Agreement or the Ancillary Documents;

(p) since December 31, 2007, there has not occurred any material adverse change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the assets, liabilities (contingent or otherwise), Properties, Permits, capital, affairs, prospects, business, operations or condition (financial or otherwise) of the Company or any Subsidiary which has not been publicly disclosed in a Disclosure Document;

(q) no order preventing, ceasing or suspending trading in any securities of the Company or prohibiting the issue and sale of securities by the Company has been issued and no proceedings for either of such purposes have been instituted or, to the knowledge of the Company, are pending, contemplated or threatened;

(r) the Financial Statements and the notes thereto, present fairly, in all material respects, the financial position of the Company and the statements of operations, retained earnings, cash flow from operations and changes in financial information of the Company for the periods specified in such Financial Statements, and have been prepared in conformity with Canadian generally accepted accounting principles applied on a consistent basis throughout the periods involved, and there has been no material change in accounting policies or practices of the Company since December 31, 2007 except as disclosed in the Disclosure Documents;

(s) other than the Offering and other than as disclosed in the Disclosure Documents, since December 31, 2007, none of:

  (i) the Company or any Subsidiary has paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor;

  (ii) the Company or any Subsidiary has incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business and which is not, and which in the aggregate are not, material; and

  (iii) the Company or any Subsidiary has entered into any material transaction.

(t) Other than as disclosed in the Disclosure Documents, since December 31, 2007 none of the Company or any Subsidiary has approved or has entered into any agreement in respect of, or has any knowledge of:

  (i) the purchase of any Property, Permit or material assets or any interest therein;

(ii) the sale, transfer or other disposition of any Property, Permit or material assets or any interest therein currently owned, directly or indirectly, by the Company or any Subsidiary whether by asset sale, transfer of shares or otherwise; or

(iii) the change of control (by sale or transfer of shares or sale of all or substantially all of the Properties, Permits and assets of the Company or any Subsidiary or otherwise) of the Company or any Subsidiary.

(u) the Company and each Subsidiary has filed in a timely manner all necessary tax returns and notices and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and none of the Company or any Subsidiary is aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result a Material Adverse Effect and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by any of them or the payment of any material tax, governmental charge, penalty, interest or fine against any of them. There are no material actions, suits, proceedings, investigations or claims now threatened or pending against the Company or any Subsidiary which could reasonably be expected to result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and the Company and each Subsidiary has withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation;

(v) the Company and each Subsidiary has conducted and is conducting the business thereof in compliance in all material respects with all Applicable Laws, tariffs, orders and directives of each jurisdiction in which it carries on a material portion of its business and possesses all material approvals, consents, certificates, registrations, authorizations, permits (including the Permits) and licenses issued by the appropriate provincial, state, municipal, federal, national or other regulatory agency or body necessary to carry on the business currently carried on and has no reason to believe that it will not receive any such approvals, consents, certificates, registrations, authorizations, permits (including the Permits) and licenses necessary to carry on the business as contemplated to be carried on by it or as contemplated to be conducted, and the Company and each Subsidiary is in compliance in all material respects with the terms and conditions of all such approvals, consents, certificates, authorizations, permits (including the Permits) and licenses and with all laws, regulations, tariffs, rules, orders and directives material to the operations thereof, and none of the Company or any Subsidiary has received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such approval, consent, certificate, authorization, permit (including any Permit) or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, could reasonably be expected to result in a Material Adverse Effect. All such material approvals, consents, certificates, registrations, authorizations, permits (including the Permits) and licenses are and will at the Closing Time on each Closing Date be valid, subsisting and in good standing;

(w) neither the Company nor any Subsidiary is: (i) in violation of any term of the articles or by-laws or any constating document thereof, (ii) in violation of any term or provision of any material agreement, indenture or other instrument applicable to it which could reasonably be expected to result in any Material Adverse Effect, (iii) in default in the payment of any obligation owed which is now due and there are no actions, suits, proceedings or investigations commenced, pending or, to the knowledge of the Company, threatened which, in the aggregate, could reasonably be expected to result in any Material Adverse Effect or in any material liability on the part of the Company or any Subsidiary, or which places, or could place, in question the validity of the Offering, or the validity or enforceability of this Agreement, the Ancillary Documents or any document or instrument delivered, or to be delivered, by the Company pursuant hereto or thereto;

(x) the Company and the Subsidiaries are the absolute legal and beneficial owner of, and have good and marketable title to, all of the material Properties, Permits and assets thereof, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, and no other property rights are necessary for the conduct of the business of the Company or any Subsidiary as currently conducted or as contemplated to be conducted, none of the Company or any Subsidiary knows of any claim or the basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such Property rights, and none of the Company or any Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the Property rights thereof, other than amounts payable pursuant to the terms of the documents governing the Property rights, in order to retain such Property rights;

(y) the Company and the Subsidiaries hold either freehold title, mining leases, mining concessions, mining claims, exploration permits, prospecting permits or participating interests or other conventional property or proprietary interests or rights, recognized in the jurisdiction in which a particular Property is located, in respect of the ore bodies and minerals located in each of the Properties in which the Company or a Subsidiary has an interest under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Company or the applicable Subsidiary to explore for and mine (as the case may be) the minerals relating thereto, all Property leases or claims and Permits in which the Company or any Subsidiary has an interest or right have been validly located and recorded in accordance with all Applicable Laws and are valid and subsisting, the Company and the Subsidiaries have all necessary surface rights, access rights and other necessary rights and interests relating to the Properties in which the Company and the Subsidiaries have an interest granting the Company or the applicable Subsidiary the right and ability to explore for minerals, ore and metals for development purposes as are appropriate in view of the rights and interest therein of the Company or the applicable Subsidiary, with only such exceptions as do not materially interfere with the use made by the Company or the applicable Subsidiary of the rights or interests so held, and each of the property interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing in the name of the Company or a Subsidiary;

(z) any and all of the Permits, agreements and other documents and instruments pursuant to which the Company or any Subsidiary holds an interest in the Properties and assets thereof (including any interest in, or right to earn an interest in, any Property) are valid and subsisting Permits, agreements, documents or instruments in full force and effect, enforceable in accordance with terms thereof, none of the Company or any Subsidiary is in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged, and such Properties, Permits and assets are in good standing under the Applicable Laws of the jurisdictions in which they are situated, all leases, licences, Permits and claims pursuant to which the Company or any Subsidiary derive the interests thereof in such Properties and assets are in good standing and there has been no material default under any such lease, licence, Permit or claim and all fees and other amounts required to be paid with respect to such Permits, Properties and assets to the date hereof have been paid, other than defaults which could not result in a Material Adverse Effect. Other than as set forth in the agreements listed in Schedule "C", none of the Properties (or any interest in, or right to earn an interest in, any Property) of the Company or any Subsidiary is subject to any right of first refusal or purchase or acquisition right;

(aa) none of the Company or any Subsidiary is in default of any material term, covenant or condition under or in respect of any judgement, order, material agreement or instrument to which it is a party or to which it or any of the Properties or assets thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, material agreement, document or other instrument to which the Company or any Subsidiary is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could result in a Material Adverse Effect;

(bb) the Company and each Subsidiary is in compliance with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where such non-compliance could not reasonably be expected to result in a Material Adverse Effect, and there is no labour strike, dispute, slowdown, stoppage, complaint or grievance pending or threatened against the Company or any Subsidiary;

(cc) the Company and the Subsidiaries:

(i) and the Properties, assets and operations thereof comply in all material respects with all applicable "**Environmental Laws**" (which term means and includes, without limitation, any and all applicable international, federal, provincial, state, municipal, national or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, or any environmental activity (which term means and includes, without limitation, any past, present or future activity, event or circumstance in respect of a "**Contaminant**" (which term means and includes, without limitation, any pollutants, dangerous substances, liquid wastes, hazardous wastes, hazardous materials, hazardous substances or contaminants), including, without limitation, the storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release, escape, leaching, dispersal or migration thereof into the natural environment, including the movement through or in the air, soil, surface water or groundwater));

(ii) do not have any knowledge of, and have not received any notice of, any material claim, judicial or administrative proceeding, pending or threatened against, or which may affect, either the Company or any Subsidiary or any of the Properties, or the assets or operations thereof, relating to, or alleging any violation of any Environmental Laws, the Company has no knowledge of any facts which could reasonably be expected to give rise to any such claim or judicial or administrative proceeding and none of the Company, any Subsidiary, any of the Properties, or assets or operations thereof, is the subject of any investigation, evaluation, audit or review by any "**Governmental Authority**" (which term means and includes, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing) to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;

(iii) do not store any hazardous or toxic waste or substance on the Properties and have not disposed of any hazardous or toxic waste, in each case in a manner contrary to any Environmental Laws, and there are no Contaminants on any of the premises or Properties, in each case other than in compliance with Environmental Laws; and

(iv) are not subject to any contingent or other liability relating to the restoration or rehabilitation of land, water or any other part of the environment (except for those derived from normal exploration activities) or non-compliance with Environmental Law;

(dd) all consents, approvals, permits, authorizations or filings as may be required under Applicable Laws necessary to the performance by the Company of its obligations under this Agreement and the Ancillary Documents will have been obtained at the Closing Time on each Closing Date or will be obtained within the respective times prescribed by such Applicable Laws;

(ee) provided the Agent and Purchasers comply with their obligations set forth in this Agreement and the Subscription Agreements (respectively), none of the execution and delivery by the Company of this Agreement and any Ancillary Documents, the performance by the Company of its obligations hereunder and thereunder, the creation and issue of the Agent's Warrants, the creation, sale, issuance and delivery (as applicable) of the Flow-Through Shares hereunder and the consummation of the transactions contemplated by this Agreement, including the allotment and reservation for issue of the Agent's Shares, will conflict with or result in a breach or violation of any Applicable Laws;

(ff) other than the Agent and except as may be consented to by the Agent or pursuant to the Special Selling Group arrangements, there is no Person acting or purporting to act at the request of the Company, who is entitled to any brokerage, finder's fee, commission or agency fee in connection with the transactions contemplated herein;

(gg) the Company and each of its Subsidiaries maintains and will maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences;

(hh) the forms of the certificates representing the Flow-Through Shares, the Agent's Warrants and the Agent's Shares have been duly approved by the Company and comply with the provisions of Applicable Law;

(ii) the Company is a reporting issuer or the equivalent thereof in Alberta and British Columbia and is not in default of any of its obligations under Canadian Securities Laws of such provinces;

(jj) the Company is in material compliance with all rules, regulations and policies of the TSX-V;

(kk) none of the Company, any of the Subsidiaries, any employee or agent of the Company or any Subsidiary has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, United States or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by Applicable Laws;

(ll) the Company has the full corporate capacity, power and authority to incur and renounce to the Purchasers of Flow-Through Shares Qualifying Expenditures in an amount equal to the Commitment Amount;

(mm) the incurring and renouncing of Qualifying Expenditures to Purchasers under the Offering, does not and will not constitute a breach of or default under the constating documents of the Company, any Subsidiary or any law, regulation, order or ruling applicable to the Company or Subsidiary or any agreement, contract or indenture to which the Company or any Subsidiary is a party or by which either of them or their assets are bound;

(nn) the Company is, and at all material times will be, a Principal Business Company;

(oo) except as a result of any agreement to which the Company is not a party and of which it has no knowledge, upon issuance pursuant to the provisions hereof, the Flow-Through Shares will be "flow-through shares" as defined in subsection 66(15) of the ITA and will not constitute "prescribed shares or prescribed rights" for the purpose of Regulations 6202 and 6202.1 of the ITA;

(pp) to the best of its knowledge the Company there are no circumstances or sets of facts which are existing or pending which would result in the Company becoming unable to (i) incur Qualifying Expenditures during the Expenditure Period in an amount equal to the Commitment Amount or (ii) renounce to Purchasers under the Offering effective on or before December 31, 2008 Qualifying Expenditures in an amount equal to the Commitment Amount;

(qq) neither the Company nor any Company "associated" (as defined in the ITA) with the Company is party to any other agreement for the issuance of flow-through shares for which the required expenditures have not been incurred;

(rr) to the best of its knowledge the Company is not aware of any circumstances or set of facts which would result in, or result in an expectation of, any reduction of Qualified Expenditures by virtue of subsection 66(12.73) of the ITA;

(ss) the Company will not be subject to the provisions of subsection 66(12.67) of the ITA in a manner, which impairs its ability to renounce Qualifying Expenditures to Purchasers under the Offering in an amount equal to the Commitment Amount.

6. Closing. The purchase and sale of the Flow-Through Shares shall be completed at the Closing Time on each Closing Date at the offices of Fasken, Martineau DuMoulin LLP in Toronto, Canada or at such other place as the Agent and the Company may agree upon. At the Closing Time on each Closing Date the Company shall deliver to the Agent certificates in definitive form representing the Flow-Through Shares, registered in accordance with the terms and conditions of the Subscription Agreements, against payment by the Agent to the Company of the aggregate FT Issue Price less the estimated out-of-pocket costs and expenses of the Agent as detailed by the Agent in writing in lawful money of Canada by certified cheque or banker's draft or wire transfer to the Company.

7. Closing Conditions. In addition to the deliveries contemplated by paragraph 6, each Purchaser's subscription to purchase the Flow-Through Shares and the Agent's obligation to close the purchase of Flow-Through Shares from the Company at the Closing Time on each Closing Date shall be conditional upon the fulfilment at or before the Closing Time on each Closing Date (except as contemplated in Section 7(h)) of the following conditions:

(a) the TSX-V shall have accepted notice of the issuance of, and conditionally approved the issuance and listing thereon of the Flow-Through Shares and Agent's Shares, subject to the Company fulfilling the customary requirements as to the filing of certain documents and the payment of the necessary listing fees and subject to requisite shareholder approval, and provided that such acceptance and approval shall be on terms satisfactory to the Agent acting reasonably;

(b) the Company shall have made and/or obtained the necessary filings, approvals, consents and acceptances under applicable Canadian Securities Laws and the TSX-V required to be made or obtained prior to Closing by the Company in connection with the Offering on terms which are acceptable to the Agent, acting reasonably;

(c) the Agent shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer of the Company, or such other senior officer as may be acceptable to the Agent, certifying for and on behalf of the Company, to the best of the knowledge, information and belief of the person so signing, after having made due enquiry, but without personal liability, that:

  (i) since December 31, 2006: (A) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, prospects, operations, Properties, Permits, assets, liabilities (contingent or otherwise), financial condition or capital of the Company and the Subsidiaries taken as a whole and (B) no transaction has been entered into by the Company or any of the Subsidiaries which is or would be material to the Company or any Subsidiary, except in each case as disclosed in the Disclosure Documents;

  (ii) no order, ruling or determination having the effect of suspending or prohibiting the sale or ceasing the trading of the Common Shares, Flow-Through Shares, Agent's Warrants, Agent's Shares or other securities of the Company has been issued by any applicable regulatory authority in any applicable jurisdiction and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any applicable regulatory authority in any such jurisdiction;

  (iii) the Company has duly complied in all material respects (except for those qualified as to materiality which have been complied with in all respects) with all of its representations, warranties, covenants, and satisfied all of the terms and conditions, of this Agreement on its part to be complied with or satisfied up to the Closing Time on the Closing Date (other than those which have been waived in writing by the Agent).

(d) the Agent shall have received at the Closing Time on each Closing Date certificates dated the Closing Date, signed by appropriate officers of the Company addressed to the Agent and counsel to the Agent, with respect to the constating documents of the Company, all resolutions of the Company's board of directors relating to this Agreement and the Ancillary Documents, the creation, issuance, offering, sale, delivery, allotment and reservation (as applicable) of the Flow-Through Shares, Agent's Warrants and Agent's Shares and the consummation of the respective transactions contemplated herein and therein, and the incumbency and specimen signatures of signing officers and such other matters as the Agent may reasonably request;

(e) the Company's board of directors shall have authorized and approved this Agreement, and all Ancillary Documents pursuant to which the Flow-Through Shares are to be issued, and the creation, offering, issue, delivery, sale allotment and reservation (as applicable) of the Flow-Through Shares, the Agent's Warrants and Agent's Shares and all matters relating thereto;

(f) the Subscription Agreements shall have been accepted, executed and delivered by the Company;

(g) the Agent shall have received favourable legal opinions addressed to the Purchasers and the Agent and its counsel, in form and substance satisfactory to the Agent and its legal counsel, dated the Closing Date from Fraser Milner Casgrain LLP, counsel for the Company, as to the laws of Canada and of the Qualifying Jurisdictions in which Purchasers are resident at the Closing Time on the Closing Date, provided that they may rely on opinions of local counsel of recognized standing in such jurisdictions where they are not qualified to practice law, which counsel may rely as to factual matters only, on certificates of Company's auditors, the Company's registrar and transfer agent, public and stock exchange officials and officers of the Company, which opinion shall address such matters as the Agent may reasonably request;

(h) on the Initial Closing Date, the Agent shall have received opinions of legal counsel to the Company and Subsidiaries in Newfoundland and Labrador addressed to the Agent and legal counsel to the Agent with respect to the title to and rights in the Properties and Permits in such Province, such opinion to be in form and substance, acceptable in all reasonable respects to the Agent and its legal counsel;

(i) the Company shall have fulfilled to the satisfaction of the Agent all covenants set forth in paragraph 3 that are required to be satisfied by it in or prior to the Closing Time on the Closing Date; and

(j) the Agent shall not have terminated their obligations under this Agreement pursuant to paragraph 8.

8. Rights of Termination.

(a) The Agent shall be entitled, at its sole option, to terminate and cancel, without any liability on the part of the Agent, all of its obligations under this Agreement and the obligations of any Purchaser to purchase the Flow-Through Shares, by notice in writing to that effect delivered to the Company prior to or at the Closing Time on each Closing Date if:

(i) any enquiry, action, suit, investigation or other proceeding whether formal or informal (including matters of regulatory transgression or unlawful conduct) is instituted, announced or threatened, or any order or ruling is made by any federal, provincial or other governmental authority or the TSX-V, any securities regulatory authority, in relation to or against the Company, any Subsidiary or any directors or officers of principal shareholders thereof; or

(ii) there should develop, occur or come into effect any occurrence, event or incident of any nature, including without limitation, accident, natural disaster, act of terrorism, public protest, governmental law or regulation, or financial occurrence of national or international consequence, which in the sole opinion of the Agent adversely affects or involves, or may adversely affect or involve, the national or international financial markets or the properties, operations, business, affairs, prospects, financial condition or assets of the Company or any Subsidiary, or the market price or value or marketability of the securities of the Company; or

(iii) there is, in the opinion of the Agent, any material change in relation to the Company or any Subsidiary or any Property or if there should, whether as a result of the Agent's continuing due diligence or otherwise, be discovered any previously undisclosed material fact or if there should occur a change in any material fact or a new material fact should arise (including in respect of any change in Applicable Laws, including tax laws, such as is contemplated by paragraph 4, which in any case, in the opinion of the Agent, has or could reasonably be expected to have a Material Adverse Effect; or

(iv) the Company is in breach of a material term, condition or covenant of this Agreement required to be fulfilled at or prior to the Closing Time on each Closing Date (the Company agreeing that all terms and conditions in this Agreement to be fulfilled at or prior to the Closing Time on each Closing Date shall be construed as conditions and complied with so far as the same relate to acts to be performed or caused to be performed by it, that it will use its best efforts to cause such conditions to be complied with, and that the Agent may waive, in whole or in part, or extend the time for compliance with, any terms and conditions of this Agreement without prejudice to their rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agent only if the same is in writing); or

(v) the Company is in breach of any material term of any Ancillary Document or if any of the representations or warranties in this Agreement (including any of the representation and warranties incorporated by reference herein) or in any Ancillary Document delivered by the Company in connection with the Offering is false or untrue or has become false or untrue; or

(vi) any condition precedent set out in paragraph 7 remains outstanding and uncompleted at the Closing Time on each Closing Date.

(b) The rights of termination contained in paragraph 8(a) may be exercised by the Agent and are in addition to any other rights or remedies the Agent may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of the Agent to the Company or on the part of the Company to the Agent except in respect of any liability or obligation which may have arisen or arises after such termination under paragraphs, 9, 10, 11 and 12, which paragraphs shall survive the termination of this Agreement.

(c) The Agent shall use commercially reasonable efforts to give the notice to the Company as contemplated by paragraph 8(a) of the occurrence of any of the events or circumstances referred to therein, provided that neither the giving nor the failure to give such notice shall in any way affect the Agent's entitlement to exercise their rights contained in paragraph 8(a) at any time through to the Closing Time on each Closing Date.

9. Fees and Expenses.

(a) Upon completion of each Closing, in consideration for all arrangements and distribution services rendered by the Agent in connection with the individual Closing, the Company shall pay to the Agent a commission equal to 7.0% of the subscription proceeds (the "**Agent's Commission**"), the Agent's Warrants, all fees (to a maximum of $40,000 plus applicable taxes for the initial Closing) plus disbursements of the legal counsel to the Agent, expenses related to road shows, selling, marketing, and the out-of-pocket expenses of the Agent (including those incurred in connection with due diligence). The Company shall pay only applicable GST and PST on such amounts. Notwithstanding the foregoing, the Agent shall not incur expenses in excess of $5,000 without the Company's prior written consent (other than legal fees).

(b) Whether or not the issuance and sale of the Flow-Through Shares shall be completed, all reasonable expenses of or incidental to the issue and delivery of such Flow-Through Shares and of or incidental to all matters in connection with the transactions herein set out shall be borne by the Company including, without limitation, expenses in connection with the issuance and sale of the Flow-Through Shares, all private placement fees required under Canadian Securities Laws, all filing fees in connection with the qualification of the Flow-Through Shares and the Agent's Shares for distribution in the Offering Jurisdictions, the fees and expenses of counsel to the Company and all local counsel selected by the Company, all TSX-V and any other listing fees, all fees and expenses of the Company's auditors, all reasonable expenses of the Agent (including all reasonable travel, meals and accommodation expenses in connection with road show presentations, marketing and due diligence) and all disbursements, fees and expenses of legal counsel to the Agent in all jurisdictions, in each case subject to the limitations and the proviso in Section 9(a) above. Costs and expenses of the Agent will be payable by the Company in addition to any other fees payable under this Agreement and will be payable at each Closing with any additional costs and expenses incurred after the final Closing to be paid on demand. The Agent will, as soon as practicable following payment of their costs and expenses by the Company, provide documentation outlining such costs and expenses. In the event that the Offering is not completed for any reason whatsoever, or the Agent has terminated this Agreement pursuant to paragraph 8, the Company shall be responsible for the payment of all of the expenses of the Agent otherwise payable by the Company under this paragraph.

(c) All or part of any of the commission, fees and other expenses to be paid to the Agent under this Agreement may be subject to applicable taxes in which event a corresponding additional amount will be payable by the Company to the Agent.

10. Survival of Representations and Warranties. All warranties, representations, covenants and agreements herein contained or contained in any Ancillary Documents delivered pursuant to this Agreement and in connection with the transactions herein contemplated as incorporated by reference herein shall survive the issuance and sale of the Flow-Through Shares, Agent's Warrants, and Agent's Shares and continue in full force and effect for the benefit of the Agent and the Purchasers and shall not be limited or prejudiced by any investigation made by or on behalf of the Agent in connection with the issuance and sale of the Flow-Through Shares or otherwise. All warranties, representations, covenants and agreements provided herein incorporated by reference herein shall survive the final Closing Date.

11. Indemnity.

(a) The Company (the "**Indemnifier**") agrees to indemnify and save harmless the Agent and its respective shareholders, directors, officers, employees, counsel, advisors, partners, affiliates and agent (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") from and against all liabilities, claims, actions, suits, proceedings, losses (other than loss of profits), costs, damages and expenses (including legal expenses) in any way caused by, or arising directly or indirectly from, or in consequence of:

(i) any order made or enquiry, investigation or proceeding commenced or threatened by any securities regulatory authority or other competent authority, including the TSX-V, based upon any failure to comply with Applicable Laws (other than any failure or alleged failure to comply by the Agent) which prevents or restricts the trading in or the sale or distribution of the Flow-Through Shares or Common Shares in any jurisdictions or which prevents or restricts the completion of, or materially alters the terms of the Offering;

(ii) the non-compliance or alleged (by any applicable regulatory or governmental body) non-compliance by the Company or any Subsidiary with any Applicable Laws, regulatory requirements or stock exchange rules or policies in connection with the transactions herein contemplated or in connection with the Transaction;

(iii) any statement contained in the Disclosure Documents which at the time and in the light of the circumstances under which it was made, contained or is alleged to have contained a misrepresentation or untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances in which they were made;

(iv) any untrue statement or omission or alleged untrue statement or alleged omission or any misrepresentation or alleged misrepresentation relating to the Offering, whether oral or written and whether made during and in connection with the Offering in respect of the due diligence enquiries of the Agent and its counsel or in respect of representations and warranties made to Purchasers by the Company;

(v) any failure or alleged failure to make timely disclosure of a material change by the Company, where such failure or alleged failure occurs during the Offering or during the period of distribution, where such failure relates to the Offering, the Flow-Through Shares or the Agent's Shares and may give or gives rise to any liability under any statute in any jurisdiction which is in force on the date of this Agreement; or

(vi) any material breach of any representation or warranty of the Company contained herein or in any Ancillary Document or the failure of the Company to comply with any of its covenants or other obligations contained herein or in any Ancillary Document in any material respect.

(b) With respect to this paragraph 11, the Indemnifier acknowledges and agrees that the Agent is contracting on its own behalf and as agent for the other Indemnified Parties. To the extent that any Indemnified Party is not a party to this Agreement, the Agent shall obtain and hold the right and benefit of the indemnity provisions of this Agreement in trust for and on behalf of each such Indemnified Party.

(c) If any matter or thing contemplated by paragraph 11(a) (any such matter or thing being referred to as a "**Claim**") is asserted against any Indemnified Party in respect of which indemnification under this paragraph 11 is or might reasonably be considered to be provided, such Indemnified Party will notify the Indemnifier as soon as practicable of the nature of such Claim (provided that any failure to so notify in respect of any potential Claim shall not affect the liability of the Indemnifier hereunder except to the extent that the Indemnifier is materially prejudiced by such failure) and the Indemnifier shall be entitled (but not required) to assume the defence of any suit brought to enforce such Claim, provided, however, that the defence shall be conducted through legal counsel acceptable to the Indemnified Party (acting reasonably), that no settlement of any such Claim may be made by the Indemnifier or the Indemnified Party without the prior written consent of the other parties (acting reasonably) and the Indemnifier shall not be liable for any settlement of any such Claim unless it has consented in writing to such settlement.

(d) In any Claim, the Indemnified Party shall have the right to retain other counsel to act on its behalf and to participate in the defence thereof, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless: (i) the Indemnifier and the Indemnified Party shall have mutually agreed to the retention of the other counsel; (ii) the Indemnifier fails to assume the defence of such Claim on behalf of the Indemnified Party within ten days of receiving notice of such Claim; or (iii) the named parties to any such Claim (including any added third or impleaded party) include both the Indemnified Party and the Indemnifier and the Indemnified Party shall have been advised by counsel that representation of the Indemnified Party by counsel for the Indemnifier is inappropriate as a result of potential or actual conflicting interests of those represented; in each of which cases the Indemnifier shall not have the right to assume the defence of such Claim on behalf of the Indemnified Party but the Indemnifier shall be liable to pay the reasonable fees and disbursements of counsel to the Indemnified Party.

(e) The indemnity of this paragraph 11 shall not apply in respect of any particular Indemnified Party, in the event that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such losses, expenses, claims, actions, damages or liabilities to which that particular Indemnified Party may be subject were primarily caused by the bad faith, negligence, misconduct or failure to comply with applicable laws or regulations of that particular Indemnified Party (provided that if such losses, expenses, claims, actions, damages or liabilities were caused only in part by such bad faith, negligence, misconduct or failure to comply with applicable laws or regulations, the indemnity of this paragraph 11 shall apply only in respect of the proportion of such losses, expenses, claims, actions, damages or liabilities which were not so caused).

12. Contribution.

(a) In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in paragraph 11 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Agent or enforceable otherwise than in accordance with its terms, the Indemnifier and the Agent shall contribute to the aggregate of all claims, expenses, costs, damages and liabilities and all losses (other than loss of profits) of a nature contemplated in paragraph 11 in such proportions so that the Agent is responsible for the portion represented by the percentage that the aggregate fee payable by the Company to the Agent pursuant to this Agreement bears to the aggregate gross proceeds from the sale of the Flow-Through Shares and the Indemnifier is responsible for the balance, whether or not they have been sued together or sued separately. Notwithstanding the foregoing, the Agent shall not in any event be liable to contribute, in the aggregate, any amounts in excess of such aggregate fee or any portion of such fee actually received from the Company. However, no party who has engaged in any fraud, fraudulent misrepresentation or gross negligence shall be entitled to claim contribution from any person who has not engaged in such fraud, fraudulent misrepresentation or gross negligence.

(b) In the event that the Indemnifier may be held to be entitled to contribution from the Agent under the provisions of any statute or at law, the Indemnifier shall be limited to contribution in an amount not exceeding the lesser of:

(i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Agent is responsible, as determined in paragraph 12(a) above; and

(ii) the amount of the aggregate fee actually received by the Agent from the Company under this Agreement.

(c) The rights to contribution provided in paragraph 12 shall be in addition to and not in derogation of any other right to contribution which the Agent or the Indemnifier may have by statute or otherwise at law.

(d) If the Agent has reason to believe that a claim for contribution may arise, they shall give the Indemnifier notice of such claim in writing, as soon as reasonably possible, but failure to notify the Indemnifier shall not relieve the Indemnifier of any obligation which they may have to the Agent under this paragraph except to the extent the Indemnifier is materially prejudiced by such failure.

13. Advertisements. The Company acknowledges that the Agent shall have the right, at their own expense, to place such advertisement or advertisements or press releases relating to and following the completion of the sale of the Flow-Through Shares contemplated herein as the Agent may consider desirable or appropriate and as may be permitted by Applicable Law. The Company and the Agent each agree that it will not make or publish any advertisement or press release in any media whatsoever relating to, or otherwise publicizing, the Offering so as to result in any exemption from the prospectus and registration requirements of applicable Canadian Securities Laws or United States Securities Laws being unavailable in respect of the issue and sale of the Flow-Through Shares to prospective purchasers. Subject to compliance with Applicable Law, any press release or advertisement of the Company relating to the Offering will be provided in advance to the Agent and the Company will use its reasonable commercial efforts to agree to the form and substance thereof with the Agent prior to the release thereof.

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

If to the Company, at:

Celtic Minerals Ltd.
#1000, 407-2nd Street S.W.
Calgary, AB T2P 2Y3

Attention: Kevin Flaherty
Telecopy: 403-265-2223

and, in respect of any notice given to the Company, with a copy to:

Fraser Milner Casgrain LLP
30th Floor, Fifth Avenue Place
237 - 4th Avenue S.W.
Calgary, Alberta
T2P 4X7

Attention: Bill Gilliland
Telecopy: 403-268-3100

If to the Agent, at:

Jennings Capital Inc
Suite 320
33 Yonge Street
Toronto, ON M5C 1C3

Attention: Daryl Hodges
Telecopy: 416-214-2844

and, in respect of any notice given to the Agent, with a copy to:

Fasken Martineau DuMoulin LLP
Toronto-Dominion Bank Tower
36th Floor
Toronto, ON
M5K 1N6
Canada

Attention: Chuck Higgins
Telecopy: 416-364-7813

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

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

15. Alternative Transaction. If the Company completes a financing (whether debt or equity) (an "**Alternative Transaction**") without the participation of the Agent prior to the earlier of (i) the Initial Closing Date and (ii) 12 months from the date of termination of the engagement letter dated April 26, 2008 (the "**Letter**") between the Company and the Agent, the Company shall pay to the Agent, upon completion of the Alternative Transaction, (i) an aggregate fee equal to the Agent's Commission and (ii) aggregate Agent's Warrants in respect of securities sold under the Alternative Transaction to investors identified by the Agent and introduced to the Company prior to the termination or expiry of the Letter.

16. Engagement of Agent. Provided that the Company shall have received gross proceeds in an aggregate amount of at least $4,000,000 under the Offering, the Agent shall have the right to participate for 25% or more of any marketed offering in Canada of equity securities of the Company or other securities of the Company convertible into equity securities of the Company, for a period ending on April 26, 2010, on terms and conditions to be agreed. The right granted to the Agent shall be exercisable during a period of 72 hours from the receipt by the Agent from the Company of a notice outlining the proposed terms of a transaction. If the Agent does not exercise its right with respect to the proposed financing within the time prescribed above the right shall be deemed to be waived in respect of that financing. For greater certainty, no waiver by the Agent with respect to any financing shall prohibit the right of the Agent to participate in another equity offering during the period the right of first refusal granted to the Agent is in effect. The terms and conditions of any retainer will be subject to negotiations between the Company and the Agent, but will be on commercially reasonable terms. If the right is exercised within the applicable time period as set out above, any additional agents considered necessary to complete the proposed transaction, shall be agreed upon by the Company and the Agent.

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

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

19. Entire Agreement. This Agreement (including all Schedules) and the other agreements and documents referred to herein constitute the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings between the parties hereto with respect to the transactions contemplated in this Agreement. This Agreement may be amended or modified in any respect by written instrument only.

20. 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.

21. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company, the Agent and the Purchasers and their respective successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by either party without the prior written consent of the other.

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

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

24. Counterparts and Facsimile Execution. This Agreement may be executed in any number of counterparts, which taken together shall form one and the same agreement. This Agreement may be executed by one or more of the parties by facsimile transmitted signature or by e-mail in pdf format and all parties agree that the reproduction of signature by way of facsimile or by e-mail in pdf format will be treated as though such reproductions were executed originals.

25. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and the parties hereto attorn to the non-exclusive jurisdiction of the courts of such province in connection with all matters arising hereunder.

If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this letter where indicated below and delivering the same to the Agent.

Yours very truly,

JENNINGS CAPITAL INC.

By: *"Daryl Hodges"*
Name: Daryl Hodges
Title: Senior Managing Director

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

DATED as of the 30th day of May 2008.

CELTIC MINERALS LTD.

By: *"Kevin Flaherty"*
Name: Kevin Flaherty
Title: Chairman and Chief Executive Officer

SCHEDULE "A"
SUBSIDIARIES, JOINT VENTURES AND CORPORATE STRUCTURE

Subsidiaries:

The following sets forth all of the Company's subsidiaries, their jurisdictions of incorporation and the percentage of voting securities held by the Company:

Name of Subsidiary	Jurisdiction of Incorporation	Authorized Capital	Shares held by Company
Celtic Minerals USA Inc.	Colorado	1,000 shares of common stock	100 shares with a par value of $0.01 per share

SCHEDULE "B"

MINERAL PROPERTIES

The following is the list of the properties on which Celtic Minerals Ltd. intends to spend exploration expenditures for drilling, geophysical and geological surveys:

Newfoundland Mineral Licences

Licence #		**Property**
14157	M	Black Duck
14682	M	Black Duck
14683	M	Black Duck
14840	M	Black Duck
14903	M	Black Duck
14940	M	Black Duck
14941	M	Black Duck
14942	M	Black Duck
14943	M	Black Duck
15025	M	Black Duck
15026	M	Black Duck
15027	M	Black Duck
15028	M	Black Duck
15029	M	Black Duck
15030	M	Black Duck
7418	M	Buchans Junction
10941	M	Buchans - Wiley's
8279	M	Budgell's Harbour
10592	M	Budgell's Harbour
10667	M	Budgell's Harbour
10750	M	Budgell's Harbour
10839	M	Budgell's Harbour
12701	M	Budgell's Harbour
12923	M	Budgell's Harbour
13345	M	Budgell's Harbour

Licence #		Property
13353	M	Budgell's Harbour
13355	M	Budgell's Harbour
13356	M	Budgell's Harbour
9881	M	Great Burnt Lake
12240	M	Great Burnt Lake
12244	M	Great Burnt Lake
10210	M	Great Burnt Lake
12947	M	Hungry Hill
13344	M	Hungry Hill
13459	M	Kingurutik River
13460	M	Kingurutik River
13428	M	Kingurutik River
13501	M	Kingurutik River
13681	M	Kingurutik River
13751	M	Kingurutik River
13754	M	Kingurutik River
13769	M	Kingurutik River
13832	M	Kingurutik River
13833	M	Kingurutik River
13834	M	Kingurutik River
13835	M	Kingurutik River
13836	M	Kingurutik River
13837	M	Kingurutik River
13838	M	Kingurutik River
13888	M	Kingurutik River
13966	M	Kingurutik River
13994	M	Kingurutik River
14127	M	Kingurutik River
14128	M	Kingurutik River
14129	M	Kingurutik River
14143	M	Kingurutik River
14159	M	Kingurutik River
14212	M	Kingurutik River

Licence #		Property
14213	M	Kingurutik River
14214	M	Kingurutik River
9060	M	Rambler
6682	M	South Pond
6683	M	South Pond
13644	M	South Pond
6711	M	Sutherland's Pond
6710	M	Victoria Mine
6743	M	Victoria Mine
785	M	West Voisey's Bay
9755	M	West Voisey's Bay
9882	M	West Voisey's Bay
9883	M	West Voisey's Bay
9884	M	West Voisey's Bay
11173	M	West Voisey's Bay
11302	M	West Voisey's Bay
11303	M	West Voisey's Bay

The following are other Properties the Company holds where exploration expenditures are eligible as CEE under the ITA:

Holding	Property
AND Vol. 2, Fol 307	Victoria Mine
AND Vol. 1, Fol 110	Victoria Mine
TNP Vol. 2, Fol 25	Victoria Mine

Quebec Mineral Licences

Property	Licence #
Lake Muscocho	South
Lake Muscocho	1118817 (A)
Lake Muscocho	1118818 (A)
Lake Muscocho	14/37
Lake Muscocho	14/38

Property	**Licence #**
Lake Muscocho	14/39
Lake Muscocho	14/40
Lake Muscocho	15/37
Lake Muscocho	15/38
Lake Muscocho	15/39
Lake Muscocho	15/40
Lake Muscocho	15/41
Lake Muscocho	16/37
Lake Muscocho	16/38
Lake Muscocho	16/39
Lake Muscocho	16/40
Lake Muscocho	16/41
Lake Muscocho	17/38
Lake Muscocho	17/39
Lake Muscocho	17/40
Lake Muscocho	2034448 (A)
Lake Muscocho	2034449 (A)
Lake Muscocho	2034450 (A)
Lake Muscocho	21/45
Lake Muscocho	21/46
Lake Muscocho	21/53
Lake Muscocho	21/54
Lake Muscocho	21/56
Lake Muscocho	21/57
Lake Muscocho	22/40
Lake Muscocho	22/41
Lake Muscocho	22/42
Lake Muscocho	22/43
Lake Muscocho	22/44
Lake Muscocho	22/45
Lake Muscocho	22/46
Lake Muscocho	22/47
Lake Muscocho	22/48

Property	**Licence #**
Lake Muscocho	22/49
Lake Muscocho	22/50
Lake Muscocho	22/51
Lake Muscocho	22/56
Lake Muscocho	22/57
Lake Muscocho	23/40
Lake Muscocho	23/41
Lake Muscocho	23/42
Lake Muscocho	23/43
Lake Muscocho	23/44
Lake Muscocho	23/45
Lake Muscocho	23/46
Lake Muscocho	23/47
Lake Muscocho	23/48
Lake Muscocho	23/49
Lake Muscocho	23/50
Lake Muscocho	23/51
Lake Muscocho	23/55
Lake Muscocho	23/56
Lake Muscocho	23/57
Lake Muscocho	24/39
Lake Muscocho	24/40
Lake Muscocho	24/41
Lake Muscocho	24/42
Lake Muscocho	24/43
Lake Muscocho	24/44
Lake Muscocho	24/45
Lake Muscocho	24/46
Lake Muscocho	24/47
Lake Muscocho	24/48
Lake Muscocho	25/37
Lake Muscocho	25/38
Lake Muscocho	25/39

Property	**Licence #**
Lake Muscocho	25/40
Lake Muscocho	25/41
Lake Muscocho	25/42
Lake Muscocho	25/43
Lake Muscocho	25/44
Lake Muscocho	25/45
Lake Muscocho	25/46
Lake Muscocho	25/47
Lake Muscocho	25/48
Lake Muscocho	7289 (A)
Lake Muscocho	89744 (A)
Lake Muscocho	89745 (A)
Lake Muscocho	North

SCHEDULE "C"

OPTION AGREEMENTS

[REDACTED]

- Schedule consists of a list of various option agreements Celtic Minerals Ltd. is currently a party to