COSTS TRUST AGREEMENT

THIS AGREEMENT made the 18th day of October, 2006.

BETWEEN:

AQUILINE RESOURCES INC., a corporation continued under the laws of Ontario with its registered office at 130 King Street West, Suite 3680, PO. Box 99, Toronto, Ontario M5X 1B1

(“**Aquiline**”),

AND:

MINERA AQUILINE ARGENTINA S.A., a corporation incorporated under the laws of Argentina;

(“**Minera Aquiline**”)

AND:

IMA EXPLORATION INC., a corporation incorporated under the laws of British Columbia with its registered office at 709-837 West Hastings Street, Vancouver, British Columbia V6C 3N6;

(“**IMA**”)

AND:

INVERSIONES MINERAS ARGENTINAS S.A., a corporation incorporated under the laws of Argentina;

(“**IMA Argentina**”)

AND:

INVERSIONES MINERAS ARGENTINAS INC., a corporation incorporated under the laws of Barbados, the entire issued and outstanding share capital of which is held by IMA Latin America;

(“**IMA Barbados**”)

AND:

McCARTHY TÉTRAULT LLP, of 1300 – 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K2

(the “**Costs Trustee**”).

WHEREAS:

A. The parties to this Agreement other than the Costs Trustee (the "**Parties**") have entered into an interim project development agreement dated October 18, 2006 (the "**Interim Project Development Agreement**") whereby the Parties wish to put in place interim arrangements to ensure the continued development of the Project for the benefit of the Ultimate Owner pending determination of the Ultimate Owner; and

B. Pursuant to Sections 2.3(b) and 3.2(d) of the Interim Project Development Agreement, the Parties agreed that certain payments in relation to the Project should be paid by Aquiline or may be made by IMA to the Costs Trustee to be dealt with as herein provided.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto mutually covenant and agree as follows:

<u>Definitions</u>

1. In this Agreement:

    (a) "**Business Day**" means any day other than a Saturday or Sunday on which the main branch of HSBC Bank Canada in Vancouver, British Columbia, is open for business;

    (b) "**Costs Trustee**" means McCarthy Tétrault LLP acting in the capacity of costs trustee hereunder or any other person that replaces McCarthy Tétrault LLP as costs trustee hereunder pursuant to the provisions of this Agreement;

    Any other capitalized term used herein which is defined in the Interim Project Development Agreement shall have the meaning assigned to it in the Interim Project Development Agreement.

<u>Interpretation</u>

2. In this Agreement:

    (a) "this Agreement" means this agreement as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions of this Agreement;

    (b) headings are solely for convenience of reference and are not intended to be complete or accurate descriptions of content or to be guides to interpretation of this Agreement or any part of it;

    (c) the word "including", when following a general statement or term, is not to be construed as limiting the general statement or term to any specific item or matter set forth thereafter or to similar items or matters, but rather as permitting the general statement or term to refer also to all other items or matters that could reasonably fall within its broadest possible scope;

(d) an expression or term used herein that is defined in section 29 of the *Interpretation Act* (British Columbia) in effect on the date hereof and is not otherwise defined herein, will have the meaning assigned to it in that Act;

(e) an accounting term not otherwise defined herein has the meaning assigned to it, and every calculation to be made hereunder is to be made, in accordance with accounting principles generally accepted in Canada applied on a consistent basis;

(f) a reference to currency means Canadian currency, unless otherwise indicated;

(g) a reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and every statute or regulation that supplements or supersedes such statute or regulations;

(h) a reference to an entity includes any successor to that entity; and

(i) a word importing the masculine gender will include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals and vice versa.

Appointment of Costs Trustee

3. The Parties hereby appoint the Costs Trustee to act as costs trustee in accordance with the terms and subject solely to the conditions of this Agreement, and the Costs Trustee hereby accepts such appointment and agrees to act in that capacity in accordance with the terms and subject to the conditions of this Agreement.

Payment of Costs Trust Amount to Costs Trustee

4. Upon the Transfer Date, Aquiline will deliver the Minimum Trust Amount to the Costs Trustee which amount, together with (to the extent applicable and to be delivered in accordance with the Interim Project Development Agreement) any unspent Minimum Project Expenditures Amount which Aquiline elects to deliver to the Costs Trustee pursuant to Section 2.3(c) of the Interim Project Development Agreement (collectively, the "**Costs Trust Amount**"), will constitute funds to be held by the Costs Trustee in accordance with the terms of this Agreement.

Payment of Aquiline Disputed Amount to Costs Trustee

5. In the event that IMA delivers the Aquiline Disputed Amount to the Costs Trustee pursuant to Section 3.2(d)(ii) of the Interim Project Development Agreement, such amount will constitute funds to be held by the Costs Trustee in accordance with the terms of this Agreement.

Investment of Costs Trust Amount and/or the Aquiline Disputed Amount

6. The Costs Trustee shall invest the Costs Trust Amount and, if applicable, the Aquiline Disputed Amount (each, a "**Trust Amount**") in trust in an interest bearing trust account at a Canadian chartered bank or trust company until release of the respective Trust Amount from escrow in accordance with this Agreement. If any interest is earned on the Trust Amount which is credited to such account, the interest shall be paid upon release of the respective Trust Amount to the party receiving such Trust Amount or, if only part of the Trust Amount is released, to the party receiving such part in proportion to such part. The Costs Trustee hereby assumes no responsibility for and will have no liability with respect to such investment.

Release of Trust Amounts

7. The Costs Trustee will hold any Trust Amount in escrow in accordance with Section 6 until the Costs Trustee is authorized to deliver such Trust Amount out of escrow as set forth in this Agreement, in which case the Costs Trustee will comply with such authorization.

8. The Costs Trustee is authorized to deliver the Costs Trust Amount out of escrow:

   (a) to Aquiline, in the event that the Costs Trustee receives written confirmation from IMA and Aquiline that the Trust Assets have been transferred to IMA pursuant to Section 3.2(d), (f) or (g), as the case may be, of the Interim Project Development Agreement; or

   (b) to IMA, in the event that the Costs Trustee receives written confirmation from IMA and Aquiline that the Trust has terminated in accordance with Section 3.2(e) of the Interim Project Development Agreement.

9. The Costs Trustee is authorized to deliver the Aquiline Disputed Amount out of escrow to Aquiline or IMA, as the case may be, on receipt of and in accordance with a written direction signed by the Parties pursuant to Section 3.2(d)(ii) of the Interim Project Development Agreement.

10. Aquiline and IMA agree to act honestly and in good faith and in as expeditious a manner as may be reasonably necessary to fulfil their respective obligations respecting the signing of the written confirmation contemplated in Section 8(a) and Section 8(b) and, if applicable, the written direction contemplated by Section 9, of this Agreement.

11. If the Costs Trustee receives any other notice in writing (a "**Release Notice**") signed by all of the Parties, directing the Costs Trustee to deliver any Trust Amount or part thereof to either Aquiline or IMA, the Costs Trustee will comply with such Release Notice within five (5) Business Days after receipt of such Release Notice or such later date, if any, as is specified in such Release Notice. If, on or before the third anniversary of the Transfer Date, the Costs Trustee has not received a Release Notice or a notice in writing (a "**Dispute Notice**") signed by either Aquiline or IMA, or both, advising the Costs Trustee that there is a dispute between Aquiline and IMA with respect to the custody, release or delivery of any Trust Amount, or part thereof, the Costs Trustee will deliver all Trust Amounts and any interest earned thereon

to IMA. For the purposes of this Section 11, the bank account details of Aquiline and IMA for receiving a Trust Amount, or part thereof, are as follows:

Aquiline: Royal Bank of Canada
20 King Street West
Toronto, Ontario
Swift Code ROYCCAT 2
Bank Code 003
Transit Number 06012
Account Number 1061522

IMA: Bank of Montreal
Vancouver Main Branch
Bank Code 001
Transit Number 00040
Account Number: 1636 304

Details re Trust Amount

12. Upon written request, the Costs Trustee will furnish to IMA and Aquiline reasonable details regarding the accounts and investments in which a Trust Amount is being held, interest or other receipts on such Trust Amount, and transactions involving, and distributions of, such Trust Amount.

Nature of Costs Trustee Responsibilities

13. The duties of the Costs Trustee hereunder are entirely administrative in nature. The Costs Trustee will have no duties or obligations except those which are expressly set forth in this Agreement and, in respect of such duties, the Costs Trustee:

(a) will have no discretion as to the performance of such duties and satisfaction of such obligations; and

(b) will not be bound by any notice of claim or demand with respect to such duties and obligations, or any waiver, modification, amendment, termination or rescission of this Agreement, unless received by the Costs Trustee in writing and signed by each other party hereto and unless the Costs Trustee has given its written consent thereto if its duties or obligations hereunder are affected.

14. The Costs Trustee will not be responsible to investigate or determine the genuineness or validity of any notice given pursuant to Section 8 or 9, and the Costs Trustee is hereby authorized and directed to follow the directions contained therein. The Costs Trustee will not in any event incur any liability as a result of complying with such directions.

15. Notwithstanding any other provision of this Agreement, the Costs Trustee is hereby authorized and directed to comply with and obey any order, judgement, decree or award of the Supreme Court of British Columbia and, in the case of such compliance, the Costs

Trustee will not be liable by reason thereof to any person even if thereafter such order, judgement, decree or award is appealed, reversed, modified, annulled, set aside or vacated.

16. Notwithstanding any other provision of this Agreement, if for any reason the Costs Trustee determines in good faith that it is unable to identify clearly the person or persons entitled to receive all or any portion of a Trust Amount, the Costs Trustee may refuse to make any payment of such Trust Amount and may retain the Trust Amount in its possession or control subject to receipt of further directions in accordance with this Agreement.

17. The Costs Trustee will not by reason hereof be required to initiate, defend or otherwise prosecute any legal proceeding in respect of any matter arising out of or in connection with this Agreement unless and until jointly and severally indemnified (including indemnity by way of advance deposit with the Costs Trustee of amounts estimated by the Costs Trustee of the costs (including legal costs on a solicitor and his own client basis), expenses, awards, judgements, amounts paid in settlement of claims or otherwise that the Costs Trustee determines might be incurred or suffered in or as a result of such legal proceedings) to the complete and unfettered satisfaction of the Costs Trustee.

18. The Costs Trustee may act relative hereto upon the advice of legal counsel, chartered accountants or other professional advisors in reference to any matter pertaining hereto and will incur no liability in respect of any action taken, omitted or suffered by it in good faith in accordance with the advice of any such counsel or other advisor.

19. The Costs Trustee will not be liable for any act or failure to act by any representative, legal counsel, accountant, banker, agent or other person appointed to act in any matter pertaining to a Trust Amount or be bound to supervise the conduct of any such person.

Limitation of Costs Trustee's Liability

20. Notwithstanding any other provision in this Agreement, the Costs Trustee will not be liable for any error of judgement, fact or law, or for any act done or omitted to be done (including any negligence on the part of the Costs Trustee), except for the Costs Trustee's own wilful misconduct or gross negligence.

Fees and Expenses of Costs Trustee

21. IMA will pay the fees of and expenses incurred by the Costs Trustee in connection with the performance of its duties hereunder and in connection with any proceedings in which it is involved as a result of its acting as and being the costs trustee hereunder.

22. The Costs Trustee shall not be required to expend or risk its own funds or otherwise incur financial liabilities in the performance of any of its duties, or in the exercise of any of its rights and powers, hereunder.

Indemnification of Costs Trustee

23. Aquiline and IMA covenant and agree to indemnify and save harmless the Costs Trustee, its partners, employees, independent contractors and agents and their respective heirs,

executors, administrators, personal representatives and assigns, as the case may be (collectively, the "**Indemnified Parties**"), from and against, on a full indemnity basis, all claims, demands, damages, losses, liabilities, amounts paid in settlement of claims, costs and expenses and other amounts paid in respect of any civil, criminal or administrative action, proceeding or investigation to which the Indemnified Parties, or any of them, as the case may be, is made a party or is subject by reason of the Costs Trustee performing its duties as costs trustee hereunder or otherwise arising out of or connected with this Agreement except for the Costs Trustee's own wilful misconduct or gross negligence. Aquiline's and IMA's obligations under this section are joint and several and shall survive the resignation or replacement of the Costs Trustee and the termination of this Agreement.

<u>Resignation and Successorship</u>

24. The Costs Trustee may resign as costs trustee hereunder at any time upon giving 30 days' advance written notice of such resignation to each other party to this Agreement, provided that such resignation will not be effective until a successor costs trustee has been appointed by agreement of IMA and Aquiline. If a successor costs trustee has not been appointed or has not accepted such appointment within 20 days after the Costs Trustee gives notice of resignation, the Costs Trustee may apply to the Supreme Court of British Columbia for the appointment of a successor costs trustee and the expenses incurred by the Costs Trustee in so doing will be paid by IMA in accordance with Section 21.

25. IMA and Aquiline, acting together, may remove the Costs Trustee at any time by giving the Costs Trustee 30 days' advance written notice, jointly signed by them, which notice will include the name and contact details of the replacement costs trustee.

26. Any new costs trustee appointed hereunder will execute an instrument accepting such appointment and deliver one counterpart thereof to each of IMA, Aquiline and the existing Costs Trustee, and thereupon such newly appointed Costs Trustee, without further act or notice, will become vested in all rights, powers and obligations of its predecessor for execution of the mandate hereunder, with like effect as if originally named as the Costs Trustee herein, and the predecessor Costs Trustee will forthwith deliver any Trust Amount in its possession pursuant to this Agreement to the new costs trustee, for the purposes and uses of this Agreement.

<u>Termination of Obligations</u>

27. Upon payment out of escrow by the Costs Trustee of all of the Trust Amounts in accordance with this Agreement, the obligations of the Costs Trustee hereunder will terminate and the Costs Trustee will be released and discharged from all further obligations hereunder.

28. Upon due and proper delivery of notice of resignation or replacement, as the case may be, of a Costs Trustee pursuant to Section 24 or 25, and upon delivery by such Costs Trustee of a Trust Amount in accordance with Section 26 to the successor costs trustee, the Costs Trustee, without further act or notice, will be forever released and discharged from all of its duties and obligations as costs trustee hereunder.

Dispute and Interpleader

29. If the Costs Trustee receives a Dispute Notice or if the Costs Trustee otherwise becomes aware that a dispute has arisen among any of the parties to this Agreement with respect to the custody, release or delivery of any part of a Trust Amount, the Costs Trustee may at any time, in its unfettered discretion, interplead such Trust Amount or portion thereof remaining into the Supreme Court of British Columbia, in which event the Costs Trustee will not be required to act in respect of the dispute and the Costs Trustee's duties, responsibilities and liabilities with respect to such Trust Amount will thereupon terminate.

General

30. Any notice or other communication (each for the purposes of this provision a "notice") to be given pursuant to this Agreement shall be in writing and shall be given by personal delivery, by overnight or registered mail or by electronic means of communication, in each case addressed as applicable as follows:

(i) If to Aquiline or Minera Aquiline at:

P.O. Box 99
3680 - 130 King Street West
Toronto, Ontario
M5X 1B1
Canada

Fax No.: 416-599-4959

Attention: Marc Henderson,
President and Chief Executive Officer

with a copy to Fogler, Rubinoff LLP at:

1200 – 95 Wellington Street West
Toronto Dominion Centre
Toronto, Ontario
M5J 2Z9
Canada

Fax No.: 416-941-8852

Attention: G. Michael Hobart

(ii) If to IMA, IMA Argentina or IMA Barbados at:

709 – 837 West Hastings Street
Vancouver, BC
V6C 3N6
Canada

Fax No.: 604-687-1858

Attention: Art Lang

(iii) If to the Costs Trustee at:

McCarthy Tétrault LLP
1300 - 777 Dunsmuir Street
Vancouver, British Columbia
V7Y 1K2
Canada

Fax: (604) 622-5723

Attention: Roger Taplin

or to such other address or telecopy number as is specified by the addressee by notice to the other parties.

31. In case at any time any further action is necessary or desirable to carry out the purposes of this Agreement, each of the parties hereto will take such further action (including the execution and delivery of such further instruments and documents) as may be reasonably requested by another party, at the sole cost and expense of the requesting party (except that any expense of the Costs Trustee under this section will be paid in accordance with Section 21).

32. This Agreement is and will be deemed to have been made in the Province of British Columbia, for all purposes will be governed exclusively by and construed in accordance with the laws prevailing in British Columbia and the laws of Canada applicable therein, and the rights and remedies of the parties hereto will be determined in accordance with those laws.

33. The parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of British Columbia and all courts having appellate jurisdiction thereover.

34. No party may assign any of its rights under this Agreement without the written consent of the other parties.

35. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

36. This Agreement may be executed by any party hereto and delivered, in original form or by electronic facsimile, in one or more counterparts, each of which together will be read and construed and will constitute one and the same instrument as if all of the parties hereto executed the same document.

37. Aquiline acknowledges and agrees that: (i) the Costs Trustee has acted as legal counsel for IMA in respect of the Interim Project Development Agreement and the transactions contemplated therein and is acting for IMA or its affiliates on other matters and may act for IMA or its affiliates in future matters, (ii) in acting in the capacity of the costs trustee under this Agreement, the Costs Trustee is not representing Aquiline or IMA; and (iii) as a result of acting in the capacity of the costs trustee under this Agreement, the Costs Trustee is not prevented or limited in its ability to represent IMA in respect of any matter or dispute in relation to the Interim Project Development Agreement, the transactions contemplated in the Interim Project Development Agreement, this Agreement or any Trust Amount, or in any other matter whatsoever, including matters in which Aquiline is adverse in interest to IMA, and Aquiline hereby consents to the Costs Trustee representing IMA in respect thereof.

IN WITNESS WHEREOF the parties have executed and delivered this Agreement on the day and year first above written.

AQUILINE RESOURCES INC.

By: ______________________________

Name: MARC C. HENDERSON
Title: PRESIDENT AND CEO

MINERA AQUILINE ARGENTINA S.A.

By: ______________________________

Name:
Title:

IMA EXPLORATION INC.

By: ______________________________

Name:
Title:

34. No party may assign any of its rights under this Agreement without the written consent of the other parties.

35. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

36. This Agreement may be executed by any party hereto and delivered, in original form or by electronic facsimile, in one or more counterparts, each of which together will be read and construed and will constitute one and the same instrument as if all of the parties hereto executed the same document.

37. Aquiline acknowledges and agrees that: (i) the Costs Trustee has acted as legal counsel for IMA in respect of the Interim Project Development Agreement and the transactions contemplated therein and is acting for IMA or its affiliates on other matters and may act for IMA or its affiliates in future matters, (ii) in acting in the capacity of the costs trustee under this Agreement, the Costs Trustee is not representing Aquiline or IMA; and (iii) as a result of acting in the capacity of the costs trustee under this Agreement, the Costs Trustee is not prevented or limited in its ability to represent IMA in respect of any matter or dispute in relation to the Interim Project Development Agreement, the transactions contemplated in the Interim Project Development Agreement, this Agreement or any Trust Amount, or in any other matter whatsoever, including matters in which Aquiline is adverse in interest to IMA, and Aquiline hereby consents to the Costs Trustee representing IMA in respect thereof.

IN WITNESS WHEREOF the parties have executed and delivered this Agreement on the day and year first above written.

AQUILINE RESOURCES INC.

By: ______________________________

Name:

Title:

MINERA AQUILINE ARGENTINA S.A.

By: ______________________________

Name: William Richard Brown

Title: President

IMA EXPLORATION INC.

By: ______________________________

Name:

Title:

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(b) that provision shall nevertheless be and remain valid and subsisting in other jurisdictions.

7.9 Governing Law and Attornment

This Agreement shall be governed by and construed according to the laws of the Province of British Columbia and the federal laws of Canada applicable therein and the Parties irrevocably submit to the exclusive jurisdiction of the courts of the Province of British Columbia.

7.10 Entire Agreement

This Agreement represents the entire agreement of the Parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

7.11 Counterpart and Facsimile Execution

This Agreement may be executed in any number of counterparts and all such counterparts, taken together, shall be deemed to constitute one and the same instrument. This Agreement may be signed and accepted by facsimile.

IN WITNESS WHEREOF the Parties have executed this Agreement under the hand of their duly authorized representatives.

AQUILINE RESOURCES INC.

By: ______________________________
Name:
Title:

MINERA AQUILINE ARGENTINA S.A.

By: ______________________________
Name:
Title:

IMA EXPLORATION INC.

By: ______________________________
Name: CEO. PRES
Title:

INVERSIONES MINERAS ARGENTINAS S.A.

By: ______________________________

Name: ~~C.E.O.~~ [illegible]

Title: Director

INVERSIONES MINERAS ARGENTINAS INC.

By: ______________________________

Name: [illegible]

Title: C.F.O.

COSTS TRUSTEE

McCARTHY TÉTRAULT LLP

Per: ______________________________
Authorized Signatory