**AGENCY AGREEMENT**

Effective: July 25, 2011

MGold Resources Inc.
360 Bay Street, Suite 500
Toronto, Ontario, M5H 2V6

**Attention: Joel Scodnick, President and Chief Executive Officer**

**Re: Private Placement of Common Shares (the "Offering")**

Macquarie Private Wealth Inc. (the "**Agent**") understands that MGold Resources Inc. (the "**Corporation**") proposes to issue and sell a minimum (the "**Minimum Offering**") of 15,000,000 common shares in the capital of the Corporation (the "**Common Shares**") and a maximum of 30,000,000 Common Shares (the "**Maximum Offering**") at a price of $0.10 per Common Shares (the Common Shares being issued in connection with the Offering are referred to herein as the "**Offered Shares**").

The Agent understands that the sale of the Offered Shares is to be effected in reliance upon exemptions from the prospectus requirements of the securities laws of each of Alberta, British Columbia, Newfoundland, Saskatchewan, and Ontario (collectively, the "**Selling Jurisdictions**"). The parties hereto acknowledge that the Offered Shares have not been and will not be registered under the U.S. Securities Act (as hereinafter defined) or the laws of any state of the United States.

The Agent further understands that the Corporation has entered into an option agreement dated August 19, 2011, (the "**Option Agreement**") with Silver Reserve Corp. ("**Silver Reserve**"), whereby the Corporation has the option to acquire a 50% working interest in the Silver Queen Property (as hereinafter defined) and the Klondyke Property (as hereinafter defined) each located in Nevada.

Upon and subject to the terms and conditions set forth herein, the Corporation hereby appoints the Agent to act as its exclusive agent, and the Agent hereby accepts such appointment to effect the sale of the Offered Shares, on a commercially reasonable efforts agency basis, to persons resident in the Selling Jurisdictions (each a "**Subscriber**" and collectively, the "**Subscribers**"). The Agent agrees to use its commercially reasonable efforts to solicit offers to purchase the Offered Shares in the Selling Jurisdictions but it is understood and agreed that the Agent shall act as agent only and is under no obligation to purchase any of the Offered Shares, although the Agent may subscribe for and purchase Offered Shares if it so desires.

In connection with the offering and sale of the Offered Shares, the Agent shall be entitled to retain, as sub-agents, other registered securities dealers and may receive (for delivery to the Corporation at the Closing Time) subscriptions for Offered Shares from other registered securities dealers. The fee payable to such sub-agents shall be for the account of the Agent and shall not exceed the fee payable to the Agent hereunder. The Agent shall, however, be under no obligation to engage any sub-agent.

In consideration for its services hereunder, the Agent shall be entitled to the fees provided for in Section 9 hereof, which fees shall be payable from the proceeds of the sale of the Offered Shares or through the issuance of the Agent's Commission Shares (as hereinafter defined) hereunder at the time specified in Section 9 hereof. For greater certainty, the Agent's commission payable pursuant to this

Agreement will not be subject to the Goods and Services Tax provided for in the *Excise Tax Act* (Canada) and taxable supplies will be incidental to the exempt financial services provided.

The following are the further terms and conditions of this Agreement:

**Section 1 Definitions**

As used in this Agreement, including the paragraphs prior to this definitional section and any amendments hereto, unless the context otherwise requires:

(a) “**affiliate**” has the meaning ascribed thereto in the BCAQ;

(b) “**Agent**” means Macquarie Private Wealth Inc.;

(c) “**Agent’s Commission Shares**” has the meaning set forth in Section 9 of this Agreement;

(d) “**Agent’s Counsel**” means Davis LLP, or such other legal counsel as the Agent, with the consent of the Corporation, may retain;

(e) “**Agent Options**” means the options to be granted to the Agent and its designated sub-agents, if any, on the Closing Date, with each Agent Option being exercisable into one (1) Common Share a for a period of 24 months from the Closing Date at a price of $0.10 per Agent’s Option, all as more particularly set forth in the form of Agent Option Certificate attached hereto as Schedule “B”;

(f) “**Agent Option Shares**” means the Common Shares to be issued upon exercise of the Agent Options;

(g) “**Agreement**” means this Agency Agreement dated effective July 25, 2011 and not any particular Article or Section or other portion except as may be specified, and words such as “**hereto**”, “**herein**” and “**hereby**” refer to this Agreement as the context requires;

(h) “**Applicable Securities Laws**” includes, without limitation, all applicable securities and corporate laws, rules, regulations, instruments, notices, blanket orders, decision documents, statements, circulars, procedures and policies in the Selling Jurisdiction and includes, as applicable, the Reporting Jurisdictions;

(i) “**Approval Letters**” means, collectively, the Conditional Approval Letters and the Private Placement Conditional Approval Letter;

(j) “**Authors**” means Bernard Dewonck, P.Geo. and John Harrop, P.Geo., the authors of the Technical Report;

(k) “**BCAQ**” means the *Business Corporations Act* (Québec), including the regulations promulgated thereunder;

(l) “**Business**” means the business presently and heretofore carried on by the Corporation, as a going concern, all operations related thereto and the intangible goodwill associated therewith and any and all interests of whatsoever kind and nature related thereto;

(m) "**Business Day**" means a day which is not Saturday, Sunday or a legal holiday in Toronto, Ontario;

(n) "**Closing Date**" means September **[14]**, 2011 or such other date or dates as the Agent and the Corporation may agree in writing;

(o) "**Closing Time**" means 8:00 a.m. (Toronto time), or such other time on the Closing Date as the Agent and the Corporation may agree;

(p) "**Common Shares**" means the common shares in the capital of the Corporation and, where appropriate in the context, includes the Agent's Commission Shares and the Agent's Option Shares;

(q) "**Conditional Approval Letters**" means, collectively, the Silver Queen Conditional Approval Letter and the Klondyke Approval Letter;

(r) "**Corporation**" means MGold Resources Inc., a corporation governed by the provisions of the BCAQ;

(s) "**Corporation's Counsel**" means Lavery, de Billy, S.E.N.C.R.L. / L.L.P., or such other legal counsel as the Corporation, with the consent of the Agent, may appoint;

(t) "**Documents**" means collectively:

(i) the Financial Statements;

(ii) the Information Circular;

(iii) the Technical Report;

(iv) all press releases of the Corporation; and

(v) all material change reports of the Corporation;

(u) "**Due Diligence Session**" shall have the meaning set forth in Section 2(h)of this Agreement;

(v) "**Due Diligence Session Responses**" means the written responses of the Corporation, as given by any director or senior officer of the Corporation, at or subsequent to a Due Diligence Session:

(i) excluding the portion of such responses which constitute Forward-Looking Statements; and

(ii) except as modified by subsequent written communication to, and receipt confirmed by, the Agent or Agent's Counsel;

(w) “**Environmental and Health Laws**” has the meaning ascribed thereto in Section 6(qq) of this Agreement;

(x) “**Financial Statements**” means the unaudited interim financial statements of the Corporation for the period ended June 30, 2011 and the audited annual financial statements of the Corporation as at December 31, 2010 and December 31, 2009, together with the notes thereto and management’s discussion and analysis of the Corporation’s financial condition and results of operations related thereto all as filed on SEDAR;

(y) “**Forward-looking Statements**” has the meaning ascribed thereto in Section 6(ppp) of this Agreement

(z) “**Hazardous Substances**” has the meaning ascribed thereto in Section 6(qq) of this Agreement

(aa) “**Indemnified Persons**” means the Agent and affiliates of the Agent and the directors, officers, shareholders, employees, partners and sub-agents of the Agent and affiliates of the Agent;

(bb) “**Information Circular**” means the management proxy circular of the Corporation dated June 6, 2011 in respect of the annual and special meeting of the shareholders of the Corporation held on July 8, 2011;

(cc) “**Intellectual Property**” has the meaning ascribed thereto in Section 6(rrr) of this Agreement;

(dd) “**IIROC**” means the Investment Industry Regulatory Organization of Canada;

(ee) “**IIROC Member**” means a member of IIROC;

(ff) **“Klondyke Conditional Approval Letter**” means the conditional approval letter of the TSXV respecting the Klondyke Property dated, July 5, 2011;

(gg) “**Klondyke Property**” has the meaning ascribed thereto in the Option Agreement;

(hh) “**Liens**” means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy such property or assets;

(ii) “**Market Price**” means the Market Price as defined in the policies of the TSXV;

(jj) “**Material Adverse Effect**” means, with respect to the Corporation, any change, event, violation, inaccuracy, circumstance or effect that (i) is materially adverse to the business, assets (including intangible assets), capitalization, financial condition, prospects or results of operations of the Corporation, whether or not arising in the ordinary course of business of the Corporation or (ii) would result in any of the Documents containing a misrepresentation;

(kk) "**Nevada Properties"** means, collectively, the Silver Queen Property and the Klondyke Property;

(ll) "**NI 43-101**" means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, as amended from time to time;

(mm) "**Offering**" means the offering and sale of the Offered Shares pursuant to this Agreement;

(nn) "**Option Agreement**" has the meaning ascribed thereto in first page of this Agreement a copy of which has been provided to the Agent;

(oo) "**Permitted Liens**" means (i) Liens for taxes and other obligations owing to governmental authorities and assessments not yet due or delinquent or that are being contested in good faith by appropriate proceedings, (ii) Liens imposed by law and incurred in the ordinary course for obligations not yet due or delinquent, (iii) Liens in respect of pledges or deposits under workers' compensation, social security or similar Laws, (iv) easements, restrictions and reservations of record, if any, that do not materially detract from the value of or materially impair the use of the property affected, (v) building and zoning by-laws, laws, ordinances and regulations that do not materially detract from the value of or materially impair the use of the property affected, (vi) other Liens or imperfections on properties which are not material in amount and do not materially detract from the value of or materially impair the existing use of the property affected by such Lien or imperfections, and (vii) in the case of a mineral project includes any royalty on the project (statutory, contractual or otherwise) provided such royalty has been disclosed to the Agent in writing;

(pp) "**President's List**" means subscribers to the Offering that are provided by the Corporation, and are contracted through another IIROC Member;

(qq) "**Private Placement Conditional Approval Letter**" means the letter of the TSXV dated August 8, 2011, conditionally approving the Offering;

(rr) "**Public Record**" means all information (which includes but is not limited to the Documents) filed with a securities commission or similar regulatory authority and any other information filed with any such securities commission or similar regulatory authority by the Corporation in compliance, or intended compliance, with any Applicable Securities Laws;

(ss) "**Reporting Jurisdictions**" means Alberta, British Columbia and Quebec;

(tt) "**Securities Commissions**" means, collectively, the securities commissions or similar regulatory authorities in the Selling Jurisdictions and Reporting Jurisdictions and "**Securities Commission**" means any of them;

(uu) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

(vv) "**Selling Dealer Group**" means the dealers and brokers, if any, other than the Agent, who participate in the Offering pursuant to this Agreement;

(ww) **"Sliver Queen Conditional Approval Letter**" means the conditional approval letter of the TSXV respecting the Silver Queen Property, dated June 23, 2011;

(xx) "**Silver Queen Property**" has the meaning ascribed thereto in the Option Agreement;

(yy) "**Silver Reserve Corp.**" has the meaning set forth in the first paragraph of this Agreement;

(zz) "**Subscription Agreements**" means the agreements to be entered into at the Closing Time between the Corporation and each of the Subscribers setting out the contractual relationship between the Corporation and the Subscribers, in form and substance satisfactory to the Corporation and the Agent;

(aaa) "**Subsidiaries**" or "**Subsidiary**" means a subsidiary of the Corporation within the meaning of the BCAQ, if applicable;

(bbb) "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder as amended from time to time;

(ccc) "**Taxes**" means all taxes, however denominated, including any interest, penalties, or other additions thereto that are imposed by any government, agency or authority, or a subdivision thereof, which is entitled to impose Taxes or administer any legislation relating to Taxes, and shall for greater certainty include, but are not limited to, federal and provincial income and capital taxes, payroll and employee withholding taxes, employment insurance premiums, Canada pension plan contributions, the goods and services taxes charged pursuant to the *Excise Tax Act* (Canada), sales and use taxes, *ad valorem* taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupational taxes, real and personal property taxes, stamp taxes, environmental taxes, worker's compensation premiums, and all other amounts of the same or of a similar nature to any of the foregoing, whether or not such amounts are described as taxes;

(ddd) "**Technical Report**" means the independent qualifying technical report on the Silver Queen Property prepared for the Corporation, dated May 29, 2010, prepared by Coast Mountain Geological Ltd. and the Authors;

(eee) "**Term Sheet**" means the signed engagement letter and term sheet dated July 25, 2011 between the Corporation and the Agent;

(fff) "**TSXV**" means the TSX Venture Exchange or any successor thereto;

(ggg) "**United States**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia; and

(hhh) "**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended; and "**misrepresentation**", "**material change**" and "**material fact**" shall have the meanings ascribed thereto under the Applicable Securities Laws; "**distribution**" means "distribution" or "distribution to the public", as the case may be, as defined under the Applicable Securities Laws; and "**distribute**" has a corresponding meaning. In this Agreement, words importing the singular include the plural and words importing gender include all genders.

In this Agreement, "**to the best of the knowledge of the Corporation**" or "**to the best of the Corporation's knowledge**" and other similar phrases means, unless otherwise expressly stated, a statement as to the best knowledge of each of the Chief Executive Officer and the Chief Financial Officer of the Corporation about the facts or circumstances to which such phrase relates, after having made due and applicable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made in the discharge of each such officer's duties.

**Section 2 Corporation's Covenants as to Issuance**

The Corporation agrees:

(a) that the Offered Shares issued in connection herewith will be duly and validly created, authorized and issued or reserved for issuance, as the case may be, pursuant to the terms of this Agreement and the Subscription Agreements;

(b) to comply with all covenants of the Corporation set forth in this Agreement, the Subscription Agreements and the Agent Options and to duly perform all the obligations to be performed by it under this Agreement, the Subscription Agreements and the Agent Options;

(c) as soon as reasonably possible, and in any event by the Closing Date, to take all such steps as may be necessary to comply with such requirements of Applicable Securities Laws to enable the Offered Shares to be offered for sale and sold on a private placement basis in the Selling Jurisdictions, as applicable, through the Agent or any other investment dealers or brokers registered in the applicable Selling Jurisdictions, and to issue the Agent Options to the Agent, by way of exemptions from the prospectus requirements under Applicable Securities Laws of the Selling Jurisdictions as contemplated hereby;

(d) it will use its best efforts to satisfy all of the conditions of the TSXV (other than the Offering) set forth in the Private Placement Conditional Approval Letter, including the filing of the final Exchange Form 4B on or before the Closing Time;

(e) that the Corporation will comply with the provisions applicable to the Corporation of *Regulation 45-102 Respecting Resale of Securities*, National Instrument 45-102 - *Resale Restrictions*, *Regulation 45-106 Respecting Prospectus and Registration Exemptions* and National Instrument 45-106 - *Prospectus and Registration Exemptions* so that the Securities are subject to a "restricted period" expiring four months and a day from the applicable Closing Date;

(f) not advertise the proposed Offering of the Offered Shares in printed media of general and regular paid circulation, radio, television or telecommunications, including electronic display, nor provide or make available to prospective purchasers of Offered

Shares any document or material which would constitute or require the Corporation to prepare an offering memorandum or a prospectus under Applicable Securities Laws;

(g) to file, as required by Applicable Securities Laws, Form 45-106F1 and any other required documents within 10 days of each applicable Closing Date or within such other time period required by Applicable Securities Laws; and

(h) prior to the Closing Time and during the period from the effective date hereof until completion of the distribution of the Offered Shares, that it shall allow the Agent the opportunity to conduct required due diligence and in particular, the Corporation shall allow the Agent and the Agent's Counsel to conduct all due diligence which the Agent may reasonably require in order to: (i) confirm the Public Record is accurate, current and complete in all material respects; and (ii) fulfill the Agent's obligations as an agent, and will provide to the Agent and their counsel and consultants reasonable access to the Corporation's properties, senior management personnel and corporate, financial and other records for the purposes of conducting such due diligence reviews. Without limiting the generality of the foregoing, the Corporation shall, if requested, make available its directors, senior management and audit committee, and shall use commercially reasonable efforts to cause its auditors (including any predecessor entity or business), authors of any technical reports (including of any predecessor entity or business) and, if applicable, independent environmental and/or engineering professionals, to answer any questions which the Agent or Agent's Counsel may have and to participate in one or more due diligence sessions to be held prior to the Closing Time (collectively, the "**Due Diligence Session**"). The Agent shall distribute a list of written questions to be answered in advance of such Due Diligence Session and the Corporation shall provide written responses to such questions and shall use its commercially reasonable efforts to have its auditors, engineers and environmental professionals provide written responses to such questions at the Due Diligence Session.

**Section 3 Corporation's Covenants as to Changes**

The Corporation agrees that:

(a) prior to the Closing Time, the Corporation will promptly inform the Agent of the full particulars of:

(i) any material change (actual, anticipated or threatened) in the assets, liabilities (absolute, accrued, contingent or otherwise), Business, operations, capital or condition (financial or otherwise) of the Corporation; and

(ii) any change in any material fact contained or referred to in the Public Record or Documents; and

(iii) the occurrence of a material fact or event, which, in any such case, is, or may be, of such a nature as to:

(A) render any portion of the Public Record or any responses provided by the Corporation at a Due Diligence Session untrue, false or misleading in a material respect;

(B) result in a misrepresentation in the Public Record; or

(C) result in the Public Record not complying with the Applicable Securities Laws, as applicable;

provided that if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this section has occurred, the Corporation shall promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such nature; and

(b) prior to Closing Time, the Corporation will promptly inform the Agent of the full particulars of:

(i) any request of any Securities Commission or other securities commission or similar regulatory authority, including the TSXV, for any amendment to the Public Record or for any additional information which may be material to the distribution of the Offered Shares or the Agent Options;

(ii) the issuance by any Securities Commission or other securities commission, the TSXV or similar regulatory authority or by any other competent authority of any order to cease or suspend trading of any securities of the Corporation (including the Offered Shares or the Agent Options) or of the institution or threat of institution of any proceedings for that purpose; or

(iii) the receipt by the Corporation of any communication from any of the Securities Commissions or any other securities commission or similar regulatory authority or any other competent authority in any jurisdiction, the TSXV or any other competent authority relating to any part of the Public Record or the distribution of the Offered Shares or the Agent Options;

and except as otherwise agreed by the Agent, the Corporation will use its best efforts to prevent the issuance of any such cease trading order or suspension order and, if issued, to obtain the withdrawal thereof as soon as possible.

**Section 4 Corporation's Other Covenants**

The Corporation agrees that:

(a) it will firstly use the net proceeds from the Offering to satisfy its obligations for the first six (6) months as required by the Option Agreement and for general corporate purposes, namely the advanced royalty in the amount of $68,080 owing by the Corporation in connection with its interest in the Burchell Lake Property;

(b) prior to the Closing Time, the Corporation shall not take any action that would prevent the Corporation and the Agent from relying on the exemptions from the prospectus requirements of Applicable Securities Laws as contemplated by the Subscription Agreements;

(c) prior to the Closing Time, the Corporation will allow the Agent and the Agent's Counsel to participate fully in the preparation and review of the Subscription Agreement;

(d) prior to the Closing Time, the Corporation will make available its directors and senior management persons to meet with potential investors if so reasonably requested by the Agent;

(e) prior to the Closing Time, the Corporation will carry on its Business in a prudent manner in accordance with industry standards and good business practice and will keep or cause to be kept proper books of accounts in accordance with applicable law;

(f) subject to any corporate reorganization, merger, plan of arrangement, or take-over bid, it will use its best efforts to maintain the listing of the Common Shares on the TSXV until the second anniversary of the Closing Date;

(g) until 140 days following the Closing Date, except in certain circumstances, the Corporation may not directly or indirectly, issue, sell, offer, grant an option or right in respect of, or agree to or announce an intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of any additional Common Shares or other securities convertible into or exchangeable for Common Shares, or agree to do so, or announce publicly their intention to do so, without having obtained the prior written consent of the Agent, not to be unreasonably withheld, provided that notwithstanding the foregoing, the Corporation may (i) issue securities of the Corporation in payment of subsequent acquisitions of an interest in any mining property; (ii) issue Common Shares pursuant to exercise of any stock options granted pursuant to the Corporation's stock option plan or on exercise of warrants or other convertible securities outstanding on the date hereof; and (iii) grant stock options pursuant to the Corporation's stock option plan;

(h) the Corporation will use its best efforts to comply with all TSXV policies, rules and regulations and the Applicable Securities Laws in the Reporting Jurisdictions;

(i) it will use its best efforts to satisfy all of the conditions of the TSXV (other than the Offering) set forth in the Approval Letters on or before the Closing Time;

(j) the Corporation shall comply with all of the covenants made by it in the Option Agreement, and use its commercially reasonable efforts to satisfy all of its obligations in the Option Agreement, except to the extent waived by Silver Reserve; and

(k) the Corporation shall comply with all of the covenants made by it in the Subscription Agreements, except to the extent waived by the Agent.

**Section 5 Agent's Covenants**

The Agent covenants and agrees with the Corporation that:

(a) it is a valid and subsisting corporation duly incorporated and in good standing under the laws of the jurisdictions in which it is incorporated;

(b) it will conduct its activities in connection with the proposed Offering in compliance with this Agreement, Applicable Securities Laws and the rules of IIROC applicable to the Agent;

(c) it will not solicit subscriptions for Offered Shares, trade in Offered Shares or otherwise do any act in furtherance of a trade of Offered Shares outside of the applicable Selling Jurisdictions except in accordance with this Agreement and in compliance with the applicable laws thereof, and with the express written consent of the Corporation, and provided that the Agent may so solicit, trade or act within such jurisdiction only if such solicitation, trade or act is in compliance with applicable securities laws in such jurisdiction and does not: (i) obligate the Corporation to take any action to qualify or register any of its securities or any trade of any of its securities (including the distribution of the Offered Shares); (ii) obligate the Corporation to establish or maintain any office or director or officer in such jurisdiction; or (iii) subject the Corporation to any reporting or other requirement in such jurisdiction except for reports of exempt distributions required by such jurisdiction which are substantially similar to a Form 45-106F1 or in British Columbia, the Form 45-106F6;

(d) it will obtain from each Subscriber a duly completed and executed Subscription Agreement and all applicable undertakings and other forms required under Applicable Securities Laws and supplied to the Agent by the Corporation for completion in connection with the distribution of the Offered Shares;

(e) it will not advertise the proposed Offering of the Offered Shares in printed media of general and regular paid circulation, radio, television or telecommunications, including electronic display, nor provide or make available to prospective purchasers of Offered Shares any document or material which would constitute or require the Corporation to prepare an offering memorandum or a prospectus under Applicable Securities Laws; and

(f) it will provide to the Corporation all necessary information in respect of the Agent and its Subscribers to allow the Corporation to file, with the Securities Commissions, reports of the trades of the Offered Shares in accordance with the Applicable Securities Laws within ten (10) days of the Closing Date.

**Section 6 Representations and Warranties of the Corporation**

The Corporation represents and warrants to the Agent and the Subscribers, and acknowledges that the Agent and the Subscribers are relying upon such representations and warranties in connection with the purchase and sale of the Offered Shares as follows:

(a) the Corporation has been duly incorporated and is validly existing under the laws of the jurisdiction of its incorporation and has all requisite corporate or partnership, as the case may be, capacity, power and authority to carry on its business, as now conducted and as presently proposed to be conducted by it, and to own its properties and assets;

(b) the Corporation is qualified to carry on business under the laws of each jurisdiction in which it carries on business;

(c) the Corporation does not have any Subsidiaries and the Corporation is not "affiliated" with, nor is it a "holding corporation" of, any other body corporate (within the meaning of those terms in the BCAQ), nor is it a partner of any partnerships (other than participating in industry partnerships in the ordinary course of business) or limited partnerships; the Corporation has no material shareholdings in any other corporation or business organization;

(d) the Corporation has conducted and is conducting and will conduct its Business in compliance in all material respects with all applicable laws, rules and regulations and, in particular, all applicable licensing and regulations or by-laws or other lawful requirements of any governmental or regulatory bodies applicable to it of each jurisdiction in which it carries on a material portion of its Business and holds all licenses, registrations and qualifications in all jurisdictions in which it carries on a material portion of its Business which are necessary or desirable to carry on the Business of the Corporation as now conducted and as presently proposed to be conducted (except where the failure to so or to hold such licenses, registrations or qualifications would not, individually or in the aggregate, have a Material Adverse Effect on the Corporation), all such licenses, registrations or qualifications are valid and existing and in good standing (except where such a lack of good standing would not, individually or in the aggregate, have a Material Adverse Effect on the Corporation) and none of such licenses, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect on the Corporation as now conducted or as proposed to be conducted, and the Corporation is not aware of any legislation, regulation, rule or lawful requirements presently in force or proposed to be brought into force which the Corporation anticipates the Corporation will be unable to comply with without materially adversely affecting the Corporation;

(e) to the best of the Corporation's knowledge, Silver Reserve has conducted and is conducting and will conduct its operations on the Nevada Properties in compliance in all material respects with all applicable laws, rules and regulations and, in particular, all applicable licensing and regulations or by-laws or other lawful requirements of any governmental or regulatory bodies applicable to the Nevada Properties and to the best of the Corporation's knowledge, Silver Reserve holds all licenses, registrations and qualifications necessary or desirable to carry on the operations on the Nevada Properties as now conducted and as proposed to be conducted in the Option Agreement (except where the failure to so or to hold such licenses, registrations or qualifications would not, individually or in the aggregate, have a Material Adverse Effect on the Nevada Properties), and all such licenses, registrations or qualifications are valid and existing and in good standing (except where such a lack of good standing would not, individually or in the aggregate, have a Material Adverse Effect on the Nevada Properties) and the Corporation is not aware of any legislation, regulation, rule or lawful requirements presently in force or proposed to be brought into force which the Corporation anticipates the Silver Reserve will be unable to comply with without materially adversely affecting the Nevada Properties;

(f) the minute books for the Corporation contain full, true and correct copies of the constating documents of the Corporation, as applicable, and contain copies of all minutes of all meetings and all consent resolutions of the directors, committees of directors, shareholders and partners, as applicable, of the Corporation, and all such meetings were duly called and properly held and all consent resolutions were properly adopted;

(g) except in the ordinary course of business, the Corporation is not a party to or bound by or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Corporation to compete in any line of business, transfer or move any of its assets or operations;

(h) all continuous and timely disclosure documents, reports, forms, filings and fees required to be made and paid by the Corporation pursuant to Applicable Securities Laws have been made and paid in accordance with Applicable Securities Laws in all material respects;

(i) the information and statements set forth in the Public Record were true, correct in all material respects, and complete and did not contain any misrepresentation, as of the date of such information or statement, and were prepared in accordance with and complied with Applicable Securities Laws, the Corporation has not filed any confidential material change reports still maintained on a confidential basis and no circumstances exist under which the Corporation has incurred liability under the secondary market disclosure provisions of Applicable Securities Laws;

(j) the authorized capital of the Corporation consists of an unlimited number of Common Shares, of which, as at the date hereof, 13,271,324 Common Shares and no other shares are issued and outstanding, each of which shares are issued as fully paid and non-assessable shares of the Corporation;

(k) no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Corporation or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or any other acquisition of any unissued securities of the Corporation except (i) in connection with the Offering; (ii) warrants to purchase 5,454,272 Common Shares;

(l) the Corporation has not, directly or indirectly, declared or paid any dividends or declared or made any other distribution on any of its securities of any class and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its outstanding securities or agreed to do so;

(m) except as disclosed in the Public Record, none of the directors, officers or employees of the Corporation, any person who owns, directly or indirectly, more than 10% of any class of securities of the Corporation, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation;

(n) the Financial Statements fairly present, in all material respects and in accordance with generally accepted accounting principles in Canada and International Financial Reporting Standards, consistently applied, the financial position and condition, the results of the operations, cash flows and other information purported to be shown therein of the Corporation as at the dates thereof and for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of the Corporation as at the dates thereof required to be disclosed in accordance with generally accepted accounting principles in Canada and International Financial Reporting Standards, and include all adjustments necessary for a fair presentation;

(o) the Corporation 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, (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences, and (v) material information relating to the Corporation is made known to those within the entity responsible for the preparation of the financial statements during the period in which the financial statements have been prepared and that such material information is disclosed to the public within the time periods required by applicable laws;

(p) there has not been any reportable event (within the meaning of Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations*) with the auditors of the Corporation;

(q) except as disclosed in the Public Record, there has not been any material change in the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation from the position set forth in the Financial Statements that has not otherwise been disclosed in the Documents and there has not been any adverse material change in the Business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation since December 31, 2010; and since that date there have been no material facts, transactions, events or occurrences which could materially adversely affect the Business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation;

(r) there are no actions, suits, proceedings or inquiries in existence or, to the best knowledge of the Corporation, pending or threatened against or affecting the Corporation or the Nevada Properties at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau or agency which in any way cause or be expected to cause a Material Adverse Effect, or which affects or may affect the distribution of the Offered Shares or which would impair the ability of the Corporation to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations contained herein or in the Option Agreement and the Corporation is not aware of any existing ground on which such action, suit, proceeding or inquiry might by commenced with any reasonable likelihood of success;

(s) there are no material judgments against the Corporation which are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation is subject;

(t) the Corporation has or to the extent applicable had full corporate capacity, power and authority to enter into this Agreement, the Subscription Agreements, the Option Agreement and the Agent Options and to perform its obligations set out herein and therein (including, without limitation, to create, issue and sell the Offered Shares), and this Agreement, the Subscription Agreements, the Option Agreement and the Agent Options, will be, on the Closing Date, duly authorized, executed and delivered by the Corporation and this Agreement, the Subscription Agreements, the Option Agreement and the Agent Options, will on the Closing Date (or the date of delivery, as applicable) be, legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, subject to laws relating to creditors' rights generally and except as rights to indemnity may be limited by applicable law;

(u) the Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement, the Subscription Agreements, the Option Agreement and the Agent Options by the Corporation or any of the transactions contemplated hereby or thereby, does not and will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would result in a breach of or constitute a default under: (i) any term or provision of the articles, by-laws or resolutions of the directors (or any committee thereof) or shareholders of the Corporation; (ii) any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound; or (iii) any law, judgment, decree, order, statute, rule or regulation applicable to the Corporation or its properties or assets, which default or breach might reasonably be expected to cause a Material Adverse Effect or would impair the ability of the Corporation to consummate the transactions contemplated hereby or thereby or to duly observe and perform any of its covenants or obligations contained herein or in the Subscription Agreements, the Option Agreement or the Agent Options;

(v) other than the Option Agreement and as disclosed in the Public Record, there are no material contracts or agreements to which the Corporation is a party or by which it is bound and each of such contracts and agreements constitutes a legally valid and binding agreement of the Corporation, enforceable in accordance with its respective terms (subject to laws relating to creditors' rights generally and except as rights to indemnity may be limited by applicable law) and, to the knowledge of the Corporation, no party thereto is in default thereunder and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default. For the purposes of this subparagraph (v), any contract or agreement pursuant to which the Corporation will, or may reasonably be expected to, result in a requirement to expend more than an aggregate of $100,000 or receive or be entitled to receive revenue of more than $100,000 in either case in the next six (6) months, or is out of the ordinary course of business of the Corporation, shall be considered to be material;

(w) other than as disclosed in the Public Record, the Corporation is not a party to any written contracts of employment which may not be terminated on one month's notice or which provide for payments occurring on a change of control of the Corporation;

(x) except pursuant to the employment or consulting arrangements between the Corporation and its employees and consultants provided to the Agent prior to the date hereof, and rights otherwise available for employees of the Corporation at common law, or pursuant to statute, and except for the Corporation's incentive stock option plan, there is presently no plan in place for severance or termination pay, retirement bonus, pension benefits, unemployment benefits, deferred compensation, insurance, sick leave, disability, salary continuation, legal benefits, vacation or other employee incentives or compensation that is contributed to or required to be contributed to, by the Corporation for the benefit of any current or former director, senior officer, employee, advisor or consultant of the Corporation;

(y) the directors and officers of the Corporation and their compensation arrangements with the Corporation, whether as directors, officers or employees of the Corporation, where disclosure is necessary, are as disclosed in the Public Record;

(z) there is not in the constating documents or by-laws of the Corporation, or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration of dividends by the directors of the Corporation or payment of dividends by the Corporation to the holders of the Common Shares;

(aa) no Securities Commission, other securities commission, the TSXV or any other similar regulatory authority has issued any order preventing or suspending trading of any securities of the Corporation, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened, and the Corporation is not in default of any material requirement of Applicable Securities Laws;

(bb) the Corporation has duly and timely filed, in proper form, returns in respect of taxes under the Tax Act, the income tax legislation of any province of Canada or any foreign country having jurisdiction over affairs of the Corporation, for all periods in respect of which such filings have heretofore been required, and all Taxes shown thereon and all Taxes owing have been paid or accrued on the books of the Corporation and there are no outstanding agreements or waivers extending the statutory period of limitations applicable to any federal, provincial or other income tax return for any period, and all payments by the Corporation and, to the knowledge, information and belief of the Corporation, to any non-resident of Canada have been made in accordance with applicable legislation in respect of withholding tax; there are no assessments or reassessments respecting the Corporation pursuant to which there are amounts owing or discussions in respect thereof with any taxing authority and the Corporation and, to the knowledge, information and belief of the Corporation, it has withheld from each payment made to any of its current or former officers, directors, and employees the amount of all Taxes (including, without limitation, income tax) and other deductions required to be withheld therefrom and has paid the same to the proper tax or other authority within the time required under any applicable tax legislation;

(cc) the Corporation has established on its books and records reserves that are adequate for the payment of all Taxes not yet due and payable and there are no liens, mortgages, charges, pledges, encumbrances or other security interests for Taxes on the assets or properties of any of the foregoing entities, except for Taxes not yet due, and, to the knowledge of the Corporation, there are no audits pending of the tax returns of the Corporation (whether federal, provincial, state, local or foreign), and there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any governmental agency of any deficiency that could have a Material Adverse Effect on the Corporation;

(dd) the issued and outstanding Common Shares are listed and posted for trading on the TSXV and the Agent Option Shares and the Agent's Commission Shares, when issued, in accordance with their respective terms thereof will be listed and posted for trading on the TSXV upon the Corporation complying with the usual conditions imposed by the TSXV with respect thereto and the Corporation is in material compliance with the by-laws, rules and regulations of the TSXV;

(ee) the Corporation is a "reporting issuer" in each of the Provinces of British Columbia, Alberta and Quebec within the meaning of Applicable Securities Laws in such provinces and is not in default of any material requirement of Applicable Securities Laws;

(ff) Equity Transfer Services Inc., at its principal offices in the City of Toronto, is the duly appointed registrar and transfer agent of the Corporation with respect to its Common Shares;

(gg) to the knowledge, information and belief of the Corporation, no insider of the Corporation has a present intention to sell any securities of the Corporation held by it;

(hh) to the best of the Corporation's knowledge, Silver Reserve is the absolute legal and beneficial owner of, and has good and marketable title to the Nevada Properties, free of all Liens except for Permitted Liens, and there are no restrictions on the ability of the Sliver Resource to use, transfer or otherwise exploit the Nevada Properties, and the Corporation is not aware of any claim or basis for a claim that might or could adversely affect Silver Reserve's rights to use, transfer or otherwise exploit the Nevada Properties;

(ii) the Corporation is the absolute legal and beneficial owner of, and has good and marketable title to, all of its material assets, free of all Liens except for Permitted Liens, and no other assets or property rights are necessary for the business, there are no restrictions on the ability of the Corporation to use, transfer or otherwise exploit such assets or property rights, and the Corporation knows of no claim or basis for a claim that might or could adversely affect its rights to use, transfer or otherwise exploit such assets or property rights and the Corporation has no responsibility or obligation to pay any commission, royalty, licence, fee or similar payment to any person with respect to the assets or property rights thereof save and except for the payment of advance royalties (each, an "**Advanced Royalty Payment**") in the amount of $68,080 for which the Corporation is in arrears in connection with the 85.1% interest it holds in the Burchell Lake property (the "**Burchell Lake Property**"). Another Advance Royalty Payment in the amount of $34,040 will be due in November 2011 in connection with the Burchell Lake Property, for which the Corporation is currently negotiating an agreement pursuant to which with such Advance Royalty Payment would be paid in the form of common shares of the Corporation instead of cash. There is no assurance that the Corporation will be able to mutually agree for the future payments of the Advance Royalty Payment with the royalty holder;

(jj) there are no claims with respect to native rights currently, or to the best of the Corporation's knowledge, pending or threatened with respect to any of the material properties of the Corporation or the Nevada Properties;

(kk) the Corporation has filed all technical reports as required by NI 43-101, and all such reports have been prepared in material compliance with the requirements of NI 43-101.

In addition, with respect to each press release issued, and any other documents filed, by or on behalf of the Corporation in respect of which any requirements of NI 43-101 applied, each such press release and document also complied as to form, substance and otherwise with the requirements of NI 43-101, except in each case to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect;

(ll) to the best of the Corporation's knowledge, the Corporation and Silver Reserve made available to the Authors, prior to the issuance of the Technical Report and for the purpose of preparing the Technical Report, all information requested by the Authors, and to the best of the Corporation's knowledge, no such information contains any misrepresentation. The Corporation does not have any knowledge, having made due inquiry, of a material change in any production, cost, price, reserves or other relevant information provided to the Authors since the dates that such information was so provided;

(mm) to the best of the Corporation's knowledge, the Technical Report accurately and completely sets forth all material facts relating to the properties that are the subject of the Technical Report;

(nn) since the date of preparation of the Technical Report, there has been no change of which the Corporation is aware, having made due inquiry, that would disaffirm any aspect of the Technical Report in any material respect or which would require an updated technical report be filed;

(oo) the Authors of the Technical Report are "Independent" as such term is defined in NI 43-101 as advised by the Authors to the Corporation and the Corporation is not aware of any facts or other information that would suggest otherwise;

(pp) the Technical Report complies, in all material respects, with all of the requirements of NI 43-101;

(qq) the Corporation has been and is in material compliance with all, and has not received any notice of, or been prosecuted for an offence alleging noncompliance with any applicable federal, provincial, municipal and local laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign (collectively, the "**Environmental and Health Laws**"), relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substance (collectively, "**Hazardous Substances**"), except where such noncompliance or prosecution could not reasonably be expected to have a Material Adverse Effect;

(rr) to the extent applicable, the Corporation or, where applicable, its consultants have obtained all material licences, permits, approvals, consents, certificates, registrations and other authorizations under the Environmental and Health Laws (the "**Required Permits**") required for the operation of the Business, to the Corporation's knowledge, each Required Permit is valid, subsisting and in good standing and the holders of the Required Permits are not in material default or breach thereof and no proceeding is pending or to the knowledge of the Corporation threatened to revoke or limit any

Required Permit except where such breach or default could not reasonably be expected to have a Material Adverse Effect. The Corporation or, where applicable, its consultants will obtain all such additional Required Permits required for the operation of the Corporation's business as proposed to be conducted in the future under the work program contemplated in the Technical report;

(ss) to the best of the Corporation's knowledge, the Corporation has not used, except in compliance with all Environmental and Health Laws or except to the extent that the consequences would not be materially adverse to the Corporation, any property or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance;

(tt) the Corporation has not received any notice of, or been prosecuted for an offence alleging, non-compliance with any Environmental and Health Laws, and the Corporation has not settled any allegation of non-compliance short of prosecution except where such non-compliance could not reasonably be expected to have a Material Adverse Effect. There are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Corporation nor has the Corporation received notice of any of the same;

(uu) except as ordinarily or customarily required by applicable permits, the Corporation has not received any notice that it is potentially responsible for a federal, provincial, state, municipal or local clean-up site or corrective action under any Environmental and Health Laws except where such action could not reasonably be expected to have a Material Adverse Effect. The Corporation has not received any request for information in connection with any federal, state, municipal or local inquiries as to disposal sites except where such inquiries could not reasonably be expected to have a Material Adverse Effect;

(vv) to the best of the Corporation's knowledge, Silver Reserve controls or has legal rights to, through mining tenements of various types and descriptions, all of the rights, titles and interests materially necessary or appropriate to authorize and enable it to carry on the material mineral exploration and development as currently being undertaken or proposed on the Nevada Properties pursuant to the Option Agreement and has obtained or, upon performance of all conditions precedent, will be able to obtain such rights, titles and interests as may be required to implement its plans on the Nevada Properties;

(ww) to the best of the Corporation's knowledge, all assessments or other work required to be performed in relation to the Nevada Properties, in order to maintain Silver Reserve's interest therein, if any, have been performed to date by Silver Reserve and Silver Reserve has complied in all material respects with all applicable laws in this connection as well as with regard to legal, contractual obligations to third parties in this connection except for any non-compliance which could not either individually or in the aggregate be expected to have a Material Adverse Effect on the Nevada Properties.

(xx) to the best of the Corporation's knowledge, there are no expropriations or similar proceedings or any material challenges to title or ownership, actual or threatened against Silver Reserve in respect of the Nevada Properties;

(yy) to the best of the Corporation's knowledge, all mineral exploration activities on the Nevada Properties have been conducted in all material respects in accordance with good mining and engineering practices and all applicable workers' compensation and health and safety and workplace laws, regulations and policies have been duly complied with except where the failure to so conduct operations could not reasonably be expected to have a Material Adverse Effect on the Nevada Properties;

(zz) to the best of the Corporation's knowledge, there are no environmental audits, evaluations, assessments, studies or tests relating to the Corporation or the Nevada Properties;

(aaa) the Corporation is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the Corporation and applicable laws, indemnification agreements or covenants that are entered into arising in the ordinary course of business, including operating and similar agreements and title documentation, indemnification and contribution provisions in agency and underwriting agreements, credit agreements with the Corporation's banks, in subscription receipt agreements, subscription agreements and transfer agency agreements) or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;

(bbb) the Corporation does not have any loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation that are currently outstanding;

(ccc) no officer, director, employee or any other person not dealing at arm's length with the Corporation or, to the knowledge of the Corporation, any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest, licensing fee or any other encumbrances or claims of any nature whatsoever which are based on the Corporation's revenues;

(ddd) other than as provided for in this Agreement, the Corporation has not incurred any obligation or liability (absolute, accrued, contingent or otherwise) for brokerage fees, finder's fees, underwriter's or agent's commission or other similar forms of compensation with respect to the transactions contemplated hereby;

(eee) no authorization, approval or consent of any court or governmental authority or agency is required to be obtained by the Corporation in connection with the sale and delivery of the Offered Shares or the issuance of the Agent Options, and the Agent's Commission Shares, except as contemplated the Private Placement Conditional Approval Letter;

(fff) no authorization, approval or consent of any court or governmental authority or agency is required to be obtained by the Corporation in connection with the Option Agreement, except as contemplated the Conditional Approval Letter;

(ggg) the books of account and other records of each of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices;

(hhh) the Corporation has not, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction; or (ii) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Corporation and its operations;

(iii) the operations of the Corporation are and have been conducted at all times in compliance with all applicable anti-money laundering laws, regulations, rules and guidelines in its jurisdiction of incorporation and in each other jurisdiction in which such entity, as the case may be, conducts business (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Corporation with respect to any of the Money Laundering Laws is pending or, to the best of the Corporation's knowledge, threatened or contemplated;

(jjj) at the Closing Date, (i) the Offered Shares will be duly and validly created, authorized and reserved for issuance and upon receipt of the purchase price therefore, will be duly and validly issued as fully paid and non assessable Common Shares; (ii) the Agent's Option Shares will have been reserved and allotted for issuance pursuant to the exercise of the Agent Options in accordance with the terms thereof and, when issued in accordance with the terms of the Agent Options, including full receipt of payment therefore, such Agent's Option Shares will be validly issued as fully paid and non-assessable Common Shares; and (iii) the Agent's Commission Shares will be duly and validly created, authorized and reserved for issuance and upon receipt of the consideration therefore, will be duly and validly issued as fully paid and non-assessable Common Shares;

(kkk) the definitive form of certificates for the Common Shares and the Agent Options have been duly approved and adopted by the Corporation and comply with all corporate and legal requirements relating thereto;

(lll) the Corporation does not have in place a shareholder rights protection plan;

(mmm) neither the Corporation nor, to its knowledge, any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation;

(nnn) to the knowledge of the Corporation, none of its directors or officers are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;

(ooo) the Due Diligence Session Responses will be true and correct where they relate to matters of fact, and in all material respects as at the time such responses are given and, to the knowledge of the Corporation, such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given, and the Corporation and its directors and officers will have responded in a thorough and complete fashion. Where the Due Diligence Session Responses reflect the opinion or view of the Corporation or its directors or officers (including, Due Diligence Session Responses or portions of such Due Diligence Session Responses, which are forward looking or otherwise relate to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)) ("**Forward-looking Statements**"), such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence Session Responses and will be honestly held and believed to be reasonable at the time they are given; provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-looking Statements;

(ppp) the Corporation has not received any notice from any court, governmental agency or body or regulatory authority of any restriction on its ability to conduct its business as it is currently conducted or proposed to be conducted, or to own, lease or operate its properties and assets;

(qqq) there are no proprietary rights provided in law to patents, trademarks, copyrights, industrial designs, software, firmware, trade secrets, know how, show how, concepts, information and other intellectual and industrial property (collectively "**Intellectual Property**") that would be necessary to permit the Corporation to conduct its business as presently conducted or as proposed to be conducted;

(rrr) the Corporation does not have any knowledge of any material outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the rights, title, interests, property or assets of the Corporation;

(sss) each of the leases pursuant to which the Corporation occupies any premises are in good standing and in full force and effect, and the Corporation is not in breach of any material covenants, conditions or obligations contained therein;

(ttt) neither the Corporation nor any corporation "associated" (as defined in the Tax Act) with the Corporation is a party to any other agreement for the issuance of flow-through shares for which the required expenditures have not been incurred;

(uuu) the representations and warranties of the Corporation in the Option Agreement, a true copy of which has been provided to the Agent, will be true and correct as of the Closing Date except as such would not have a Material Adverse Effect;

(vvv) to the best of the Corporation's knowledge, the representations and warranties of Silver Reserve, in the Option Agreement, will be true and correct as of Closing Date and Silver Reserve is not in breach of any of its covenants in the Option Agreement, except, in either case, such as would not have a Material Adverse Effect on the Corporation or the Nevada Properties;

(www) with respect to forward-looking information contained in the Public Record:

(i) the Corporation has a reasonable basis for the forward-looking information;

(ii) all material forward-looking information is identified as such, and the Public Record cautions users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information; and accurately states the material factors or assumptions used to develop forward-looking information;

(iii) all future-oriented financial information and each financial outlook (other than such disclosure that is subject to the requirements in National Instrument 43-101- *Standards of Disclosure for Mineral Projects*): (A) has been prepared in accordance with generally accepted accounting principles and International Financial Reporting Standards using the accounting policies the Corporation expects to use to prepare its historical financial statements for the period covered by the future-oriented financial information or the financial outlook; (B) presents fully, fairly and correctly in all material respects the expected results of the operations for the periods covered thereby; (C) is based on assumptions that are reasonable in the circumstances, reflect the Corporation's intended course of action, and reflect management's expectations concerning the most probable set of economic conditions during the periods covered thereby; and

(iv) is limited to a period for which the information in the future-oriented financial information or financial outlook can be reasonably estimated.

It is further agreed by the Corporation that all representations, warranties and covenants in this Section 6 made by the Corporation to the Agent shall also be deemed to be made for the benefit of the Subscribers as if the Subscribers were also parties hereto (it being agreed that the Agent is acting for and on behalf of the Subscribers for this purpose).

**Section 7 Conditions**

The obligations of the Agent hereunder shall be conditional upon the Agent being satisfied with and/or receiving as applicable, and the Agent shall have the right on the Closing Time, on behalf of Subscribers, to withdraw all Subscription Agreements delivered and not previously withdrawn by Subscribers unless the Agent is satisfied with and/or receives at the Closing Time:

(a) favourable legal opinions of the Corporation's Counsel (addressed to the Agent, the Subscribers and the Agent's Counsel) in form and substance satisfactory to the Agent, acting reasonably, relating to the creation, offering, issuance and sale of the Offered Shares, the Agent's Commission Shares, Agent Options and Agent's Option Shares, including, in substance, the matters set forth in Schedule "A" hereto, and as to all other legal matters, including compliance with Applicable Securities Laws, in any way connected with the creation, offering, issuance, sale and delivery of the Offered Shares, the Agent's Commission Shares, Agent Options and Agent's Option Shares, as the Agent and the Agent's Counsel may reasonably request.

It is understood that the Corporation's Counsel may rely on the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than the jurisdiction of residence of such Corporation's Counsel or the federal laws of

Canada and on certificates of officers of the Corporation, the transfer agent of the Common Shares and the auditors of the Corporation as to relevant matters of fact;

(b) favourable legal opinions of the Corporation's Counsel (addressed to the Agent, the Subscribers and the Agent's Counsel) in form and substance satisfactory to the Agent, acting reasonably, relating to the Option Agreement;

(c) a certificate of the Corporation dated the Closing Date, addressed to the Agent and the Subscribers and signed on the Corporation's behalf by the President and Chief Executive Officer and the Chief Financial Officer, or such person or persons acting in a similar capacity, of the Corporation or such other officers of the Corporation satisfactory to the Agent, acting reasonably, certifying that:

(i) the Corporation has complied with and satisfied all terms and conditions of this Agreement and the Subscription Agreements on its part to be complied with or satisfied at or prior to the Closing Time, other than those which have been waived in writing by the Agent;

(ii) the Corporation has complied with and satisfied all terms and conditions of the Option Agreement on its part to be complied with, performed or satisfied as may be applicable, at or prior to the Closing Time, other than those which have been waived, in which case the Corporation has notified the Agent of the particulars of such waiver;

(iii) the representations and warranties of the Corporation set forth in this Agreement and the Subscription Agreements are true and correct in all material respects at the Closing Time, as if made at such time;

(iv) no event of material default under any material agreement or instrument to which the Corporation is a party has occurred and no event which with the giving of notice or the passage of time or both would constitute an event of material default under any such agreement or instrument has occurred and is continuing;

(v) no event of a nature referred to in Section 12(a), (b), (c), (e) or (g) has occurred since the date of this Agreement or to the knowledge of such officers is pending, contemplated or threatened (excluding in the case of Section 12(c), (e) or (g) any requirement to make any determination as to any Agent's opinion);

(vi) there have been no material changes to the Due Diligence Session Responses; and

(vii) except with respect to post-closing notice filings required under applicable Canadian federal or provincial securities laws, the Corporation has made or obtained, on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances under Applicable Securities Laws, from the TSXV, and under any applicable agreement or document to which the Corporation is a party or by which it is bound, required for the execution and delivery of this Agreement, the Subscription Agreements, the Option Agreement and the Agent Options, and the offering and sale in the applicable Selling Jurisdictions of the

Offered Shares, and the issuance of the Agent Options and the Agent's Commission Shares and the consummation of the other transactions contemplated hereby or thereby (subject to completion of filings with certain regulatory authorities following the Closing Date);

and the Agent shall have no knowledge to the contrary;

(d) definitive certificates respecting the Agent Options, Agent's Commission Shares, the Offered Shares subscribed for or purchased, registered in such name or names as the Agent shall notify the Corporation in writing of not less than 24 hours prior to the Closing Time, provided such securities registered in such names may, subject to receipt by the Corporation of a satisfactory indemnity, be delivered in advance of the Closing Date to the Agent or such other parties in such locations as the Agent may direct and the Agent and the Corporation may agree upon;

(e) executed copies of this Agreement, each of the Subscription Agreements, the Agent Options certificates and all other documents to be delivered pursuant to this Agreement, each in form and substance reasonably satisfactory to the Agent and the Agent's Counsel;

(f) a title opinion or title opinions in form and substance satisfactory to the Agent, acting reasonably, relating to title to the Nevada properties;

(g) evidence that the Corporation has obtained all necessary approvals of the TSXV in form and substance reasonably satisfactory to the Agent and the Agent's Counsel for:

(i) the issuance of the Offered Shares, Agent Options and Agent's Commission Shares; and

(ii) the listing of the Offered Shares, Agent's Option Shares issuable on the exercise of the Agent Options and the Agent's Commission Shares;

subject to the filing of documents and the payment of fees which may be required by the TSXV;

(h) an executed copy of the definitive Option Agreement and the conditional approval of the TSXV in connection thereof;

(i) evidence satisfactory to the Agent that, all of the conditions precedent in Section 3 of the Option Agreement have been satisfied or are capable of being satisfied, subject only to the filing of documents which may be required by the TSXV and completion of the Offering;

(j) evidence satisfactory to the Agent that, subject to completion of the Offering, all of the conditions in the Conditional Approval Letters have been satisfied or are capable of being satisfied, subject only to the filing of documents which may be required by the TSXV;

(k) the Agent shall have completed and be satisfied, in its sole discretion, with the results of its due diligence investigations regarding the Corporation, its business, operations and financial condition and market conditions at the Closing Time; and

(l) such further and other documentation as may be contemplated by this Agreement and such other certificates and documents as the Agent may request, acting reasonably.

The foregoing conditions are for the sole benefit of the Agent and may be waived in whole or in part by the Agent at any time and, without limitation, the Agent shall have the right, on behalf of potential Subscribers, to withdraw all Subscription Agreements delivered and not previously withdrawn or rescinded by such persons. If any of the foregoing conditions are not met, the Agent may terminate its obligations under this Agreement without prejudice to any other remedies it may have.

**Section 8 Closing**

The issue and sale of the Offered Shares shall be completed at the Closing Time at the offices of the Corporation in Toronto, Ontario or at such other place as the Corporation and the Agent may agree. Subject to the conditions set forth in Section 7, the Agent, on the Closing Date, shall:

(a) deliver to the Corporation all completed Subscription Agreements (including any applicable documents specifically referred to in the Subscription Agreements), in form and substance reasonably satisfactory to the Corporation and the Corporation's Counsel;

(b) deliver to the Corporation originally executed copies of all forms required under Applicable Securities Laws from each of the Subscribers; and

(c) deliver a certified cheque or bank draft or effect the wire transfer of funds to the Corporation in an amount equal to the aggregate of all subscriptions for the Offered Shares delivered to and accepted by the Corporation, net of the fees and expenses provided for in Section 9 and Section 10, respectively;

against delivery by the Corporation of:

(d) certificates representing the Offered Shares sold pursuant to the Offering and the Agent Options and the Agent's Commission Shares, the opinions and certificates referred to in Section 7 hereof to be delivered at the Closing Time; and

(e) such further documentation as may be contemplated by this Agreement or that may reasonably be requested by Agent's Counsel.

The Corporation may not reject any properly completed Subscription Agreement which is in compliance with Applicable Securities Laws, unless the principal amount of the respective Offered Shares subscribed for or purchased pursuant to all Subscription Agreements tendered by the Agent exceeds the maximum principal amount of Offered Shares to be sold under this Agreement, or unless the acceptance of such Subscription Agreement may breach or violate any Applicable Securities Laws.

**Section 9 Commission, Corporate Finance Fee and Agent Options**

In consideration for the services provided by the Agent hereunder, the Corporation agrees to pay to the Agent on the Closing Date a fee payable, at the sole option of the Agent, in cash or Common Shares (the "**Agent's Commission Shares**") equal to 10% of the aggregate gross proceeds of the Offering. In addition, the Corporation agrees to pay to the Agent a corporate finance fee in the amount of $15,000 plus applicable taxes, of which $16,950 has been paid to the Agent. In addition, the Corporation shall issue to the Agent on the Closing Date the Agent Options in respect of Offered Shares sold pursuant to Offering.

The Corporation shall also issue to the Agent and its designated sub-agents, if any, that number of Agent Options as is equal to 10% of the Offered Shares sold pursuant to the Offering.

Notwithstanding the foregoing, in the case of President's List subscribers to the Offering, a commission equal to 8% of the aggregate gross proceeds brought forward by such IIROC Member will be payable to such IIROC Member, at the sole option of such IIROC Member, in cash or Common Shares, and Agent Options entitling such IIROC Member to acquire that number of Common Shares as is equal to 8% of the total number of Offered Shares sold through the such IIROC Member will be paid to such IIROC Member.

**Section 10 Expenses**

Whether or not the transactions contemplated herein shall be completed, all costs and expenses of or incidental to the creation, issue, sale or distribution of the Offered Shares shall be borne by the Corporation, including, without limitation, all costs and expenses of or incidental to the private placement of the Offered Shares, the fees and expenses of the Corporation's Counsel, local agent counsel retained by the Corporation's Counsel, the Corporation's auditors, the reasonable out-of-pocket expenses of the Agent and the Agent's legal fees and disbursements, and all other costs and expenses relating to the transactions contemplated herein. All reasonable fees and expenses incurred by the Agent or on its behalf shall be payable by the Corporation immediately upon receiving an invoice therefor from the Agent and shall be payable whether or not the Offering is completed. At the option of the Agent, such fees and expenses may be deducted from any proceeds of the Offering otherwise payable by the Agent to the Corporation on the Closing Date. The Agent acknowledges that a preliminary payment of $20,000 has been paid to the Agent with respect to legal fee retainers paid by the Agent to its counsel.

**Section 11 Waiver**

The Agent may, in respect of the Corporation, waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, covenant, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of its rights in respect of any other representation, warranty, covenant, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, covenant, term or condition hereof, provided that any such waiver or extension shall be binding on the Agent only if the same is in writing.

**Section 12 Termination Events**

In addition to any other remedies which may be available to the Agent, the Agent shall be entitled, at its option, to terminate and cancel, without any liability on the Agent's part, its obligations hereunder, and the obligations of any Subscriber under any Subscription Agreement provided by the

Agent, by written notice to the Corporation, in the event that after the effective date hereof and at or prior to the Closing Time:

(a) any of the Subscribers for Offered Shares in the Selling Jurisdictions or the Agent Options would be subject to a hold period of greater than four months and one day following the Closing Date under Applicable Securities Laws in the Selling Jurisdictions;

(b) any order to cease or suspend trading in any securities of the Corporation, or prohibiting or restricting the issuance and/or distribution of the Offered Shares or the Agent Options is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, or by any other competent authority, and the same has not been rescinded, revoked or withdrawn;

(c) any inquiry, investigation (whether formal or informal) or other proceeding in relation to the Corporation, or any of its directors or senior officers is announced or commenced by any securities commission, or by any other competent authority, or any order is issued under or pursuant to any applicable law or regulatory authority (unless based on the activities or alleged activities of the Agent or its agent), or there is any change of law, regulation or policy or the interpretation or administration thereof, and the same has not been rescinded, revoked or withdrawn, which, in the sole opinion of the Agent, acting reasonably, materially adversely affects, or may materially adversely affect, the issuance and/or distribution of the Offered Shares or the Agent Options;

(d) there should develop, occur or come into effect or existence any event, action, state, condition (including, without limitation, terrorism or accident) or major financial occurrence of national or international consequence, or any action by government, law or regulation, enquiry or any other occurrence of any nature whatsoever which in the sole opinion of the Agent, acting reasonably, materially adversely affects, or involves, or might be expected to materially adversely affect or involve, the financial markets or the Business, operations or affairs of the Corporation or the state of the financial markets or the Corporation's industry is such that the Offered Shares cannot, in the sole opinion of the Agent, be successfully or profitably marketed;

(e) there should occur any change, event, fact or circumstance (actual, contemplated or threatened) of the nature referred to in Section 3(a) hereof or any development that could result in such a change, event, fact or circumstance, any of which, in the sole opinion of the Agent, acting reasonably, could be expected to have a Material Adverse Effect on the market price or value or the marketability of the Offered Shares;

(f) in the sole opinion of the Agent, acting reasonably, the Corporation is in breach of, default under or non-compliance with any representation, warranty, covenant, term or condition of this Agreement, the Option Agreement or the Subscription Agreements; or

(g) the Agent has become aware, as a result of its due diligence review or otherwise, of any adverse material information, fact or change (in the sole opinion of the Agent, acting reasonably) with respect to the Corporation which had not been publicly disclosed or disclosed in writing to the Agent prior to the date hereof or which occurred after the effective date hereof but prior to the Closing Time;

in any of such cases, the Agent shall be entitled, at its option, to terminate and cancel its obligations to the Corporation under this Agreement and the obligations of any Subscriber provided by the Agent under any Subscription Agreement. If the Agent elects to terminate its obligations to the Corporation under this Agreement whether or not the reason for such termination is within or beyond the control of the Corporation, the liability of the Corporation to the Agent under this Agreement or with respect to the subject matter hereof shall be limited to Sections 10 and 16 through 18 inclusive.

**Section 13 Continuation of Termination Right**

The Agent may exercise any or all of the rights provided for in Section 7, Section 11 or Section 12 notwithstanding any material change, change, event or state of facts and notwithstanding any act or thing taken or done by the Agent or any inaction by the Agent, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Agent related to the offering or continued offering of the sale of the Offered Shares. The Agent shall only be considered to have waived or be estopped from exercising or relying upon any of its rights under or pursuant to Section 7, Section 11 or Section 12 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.

**Section 14 Exercise of Termination Right and Effect of Termination Right**

Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Corporation, provided that no termination shall discharge or otherwise affect any obligation of the Corporation under Section 10, Section 15, Section 16, Section 17, Section 18 or Section 20 hereof. The rights of the Agent to terminate its obligations hereunder are in addition to, and without prejudice to, any other remedies it may have.

**Section 15 Survival**

All representations, warranties, covenants, indemnities, terms and conditions herein or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive, for the applicable period prescribed by law, the payment by the Agent for the Offered Shares and shall continue in full force and effect for the benefit of the Agent and the Subscribers regardless of any investigation by or on behalf of the Agent with respect thereto.

**Section 16 Indemnity**

The Corporation shall indemnify and save each of the Indemnified Persons harmless against and from all liabilities, claims, actions, demands, losses (other than losses of profit), costs, damages and expenses to which any of the Indemnified Persons may be subject or which any of the Indemnified Persons may suffer or incur, jointly or severally, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:

(a) any information or statement contained in this Agreement, the Documents, the Public Record or any certificate or other document delivered by or on behalf of the Corporation to the Agent hereunder or in connection with the Offering, including, for greater certainty, the distribution of the Offered Shares or the Agent Options, which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;

(b) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent or the Agent's Counsel expressly for inclusion in the Documents) contained in this Agreement, the Public Record or the Documents;

(c) any prohibition or restriction of trading in any of the securities of the Corporation or any prohibition or restriction affecting the distribution of the Offered Shares or the Agent Options (not based upon the activities or the alleged activities of the Agent or the Selling Dealer Group members, if any) imposed by any of the Securities Commissions or any other competent authority;

(d) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any of the Securities Commissions or any other one or more competent authorities (not based upon the activities or the alleged activities of the Agent or the Selling Dealer Group members, if any) into the affairs of the Corporation or any of its directors, officers or principal shareholders or relating to or affecting the trading or distribution of the Offered Shares or the Agent Options; or

(e) any breach of, default under or non-compliance by the Corporation with any representation, warranty, term or condition of this Agreement or the Subscription Agreements or any requirement of Applicable Securities Laws or the acceptance of a Subscription Agreement from, and the issuance of Offered Shares pursuant thereto to, a Subscriber resident in or subject to the securities laws of a jurisdiction other than Canada and who was apprised of the private placement described herein by an entity other than the Agent or any of its affiliates;

provided that in the event and to the extent that a court of competent jurisdiction in the final judgment from which no appeal can be made or a regulatory authority in a final ruling from which no appeal can be made shall determine that any matter in respect of which indemnity may be sought hereunder resulted solely from the gross negligence or wilful misconduct of an Indemnified Person, this indemnity shall not apply.

The Corporation hereby waives its right to recover contribution from the Agent with respect to any liability of the Corporation by reason of or arising out of any misrepresentation in the Public Record or the Documents provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of or arising out of: (i) any misrepresentation which is based upon information relating solely to the Agent contained in such document and furnished to the Corporation by the Agent expressly for inclusion in such document; or (ii) any failure by the Agent to provide to prospective purchasers of Offered Shares any document which the Corporation is required to provide to such prospective purchasers and which the Corporation has provided to the Agent to forward to such prospective purchasers.

The Corporation agrees that in case any legal proceedings or investigation shall be brought against or initiated against the Corporation by any governmental commission, regulatory authority, exchange, court or other authority and an Indemnified Person or other representative of the Agent shall be required to testify or respond to procedures designed to discover information regarding, in connection with or relating to the performance of professional services rendered to the Corporation by the Agent, the Corporation shall pay the Agent the reasonable costs (including an amount to reimburse the Agent for the time spent by its personnel in connection therewith on a per diem basis and reasonable out of pocket expenses) in connection therewith unless such proceedings or investigations shall be brought or initiated as a result of any gross negligence, fraud, bad faith, wilful misconduct or any actions or inactions of the Agent, or any of its affiliates or any member of the Selling Dealer Group.

It is the intention of the Corporation to constitute the Agent as trustee for the Indemnified Persons for the purposes of Section 16, Section 17 and Section 18 and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

The rights and remedies of the Indemnified Person set forth in Section 16 and Section 17 hereof are to the fullest extent possible in law, cumulative and not alternative, and the election by any or other Indemnified Person to exercise any such right or remedy shall not be, and shall not be deemed to be, a waiver of any other rights and remedies.

The Corporation waives any right the Corporation may have of first requiring an Indemnified Person to proceed against or enforce any other right, power, remedy or security or claim or to claim payment from any other person before claiming under this indemnity. It is not necessary for an Indemnified Person to incur expense or make payment before enforcing such indemnity.

**Section 17 Notice of Indemnity Claim**

If any claim contemplated by Section 16 shall be asserted against any of the Indemnified Persons in respect of which indemnification is or might reasonably be considered to be provided for in such section, such Indemnified Person shall notify the Corporation as soon as possible of the nature of such claim and the Corporation 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 through legal counsel selected by the Corporation and acceptable to the Indemnified Person, acting reasonably. The Indemnified Person shall have the right to retain its own counsel in any proceeding relating to a claim contemplated by Section 16 if:

(a) the Indemnified Person has been advised in writing by counsel that there may be an actual or potential conflict in the Corporation's and the Indemnified Person's respective interest or there may be a material legal defence available to the Indemnified Person which is different from or additional to a defence available to the Corporation (in which case the Corporation shall not have the right to assume the defence of such proceedings on the Indemnified Person's behalf);

(b) the Corporation shall not have undertaken the defence of such proceedings, or indicated its intent to do so, and employed counsel within ten (10) days after notice of commencement of such proceedings; or

(c) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceeding;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and his client basis) shall be paid by the Corporation; it being understood, however, that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate law firm (in addition to any local counsel) for all Indemnified Persons. No admission of liability and no settlement of any proceeding shall be made without the consent of the Indemnified Persons affected, such consent not to be unreasonably withheld or delayed. No admission of liability shall be made by an Indemnified Person without the consent of the Corporation, such consent not to be unreasonably withheld or delayed, and the Corporation shall not be liable for any settlement or any proceeding made without its consent, such consent not to be unreasonably withheld or delayed.

**Section 18 Right of Contribution**

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is (in whole or in part), for any reason, held by a court to be unavailable from the Corporation on grounds of policy or otherwise, each of the Corporation and the party or parties seeking indemnification shall contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

(a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand and by the party or parties seeking indemnity on the other hand from the offering of the Offered Shares; or

(b) if the allocation provided by Section 18(a) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in Section 18(a) but also to reflect the relative fault of the party or parties seeking indemnity, on the one hand, and the parties from whom indemnity is sought, on the other hand, in connection with the statement, omission, misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Agent, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Corporation (net of fees but before deducting expenses) bear to the consideration received by the Agent.

The amount paid or payable by an Indemnified Person as a result of liabilities, claims, demands, losses (other than losses of profit), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) referred to above shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such liabilities, claims, demands, losses, costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof), whether or not resulting in any action, suit, proceeding or claim.

The Corporation agrees that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding sections. The rights to contribution provided in this Section 18 shall be in addition to, and without prejudice to, any other right to contribution which the Agent may have.

Any liability of the Agent under this Section 18 shall be limited to the amount payable to the Agent pursuant to Section 9.

The obligations under the indemnity and right of contribution provided herein shall apply whether or not the transactions contemplated by this Agreement are completed and shall survive the completion of the transactions contemplated under this Agreement and the termination of this Agreement.

**Section 19 Future Financings**

Provided a closing of the Offering is completed, the Corporation hereby grants to the Agent the right of first refusal to lead any offering of securities of the Corporation to be issued and sold to the public in Canada by private placement or public offering for a period of 12 months from the Closing Date. The right of first refusal shall be subject to the following terms:

(a) in the event the Corporation proposes to conduct a private placement or a distribution to the public of any of the Corporation's securities or in the event the Corporation receives a binding proposal (or a proposal which would be binding and enforceable if it were executed and delivered by the parties thereto) for a private placement or a distribution to the public of the Corporation's securities, the Corporation shall forthwith provide written notice (the "**Notice**") thereof to the Agent;

(b) the Notice shall contain the terms and conditions pursuant to which the Corporation proposes to make the offering, or for which a proposal for an offering has been made including the consideration proposed to be paid and the consideration to be received by the Corporation for its securities, if known;

(c) the Agent shall have a period of seven (7) business days after receipt of the Notice (the "**Notice Period**") from the Corporation to elect in writing to act as agent, underwriter, sponsor or financial advisor, as the case may be, on behalf of the Corporation on the terms and conditions contained in the Notice and, if the Agent so elects, the Corporation hereby agrees to engage the Agent to conduct the said private placement or distribution to the public as its agent or underwriter;

(d) if the Agent declines or fails to elect within the Notice Period to conduct the private placement or distribution to the public as agent or underwriter or act as professional advisor, sponsor or financial advisor on behalf of the Corporation on the terms and conditions set out in the Notice, the Corporation shall be entitled for a period of 30 days beginning upon the expiry of the Notice Period, to engage a registered Canadian investment dealer ("**Dealer**") on substantially the same terms and conditions as set forth in the Notice. Upon expiry of such 30 day period, or in the event that such terms and conditions of the proposed offering, proposal from the Dealer, or engagement for professional services, sponsorship or financial advisory services, as the case may be, change materially, the Corporation shall not be entitled to enter an engagement or agreement with another dealer, or the Dealer, as the case may be, without again complying with section 19(a) to (d) inclusive *mutatis mutandis*;

(e) in the event that the Corporation does not engage the Agent in connection with the proposed private placement, distribution to the public in accordance with the foregoing, the provisions of this section shall apply to the next proposal *mutatis mutandis*; and

(f) in the event the Agent elects in writing to act as agent or underwriter to the Corporation pursuant to subsection 19(c), the Agent may enter into arrangements with other investment dealers registered to sell securities in the jurisdictions in which said private placement or distribution to the public is to be conducted, at no additional cost to the Corporation, whereby such other investment dealers will be permitted to solicit subscriptions with respect to the said private placement or distribution. The arrangement between the Agent and such investment dealers shall be on such terms and subject to such conditions as the Agent may deem appropriate.

**Section 20 Alternate Business Transaction**

(a) If the Corporation chooses not to complete the Offering and thereafter the Corporation completes or enters into a binding agreement with respect to an Alternative Business Transaction (as defined below) on or before the date that is four months following the date of this Agreement, the Corporation will pay to the Agent an amount equal to the Agent's Commission as set forth in Section 9 and any outstanding expenses of the Agent in relation to the Offering on completion of such Alternative Transaction (collectively, the "**Alternative Transaction Fee**").

(b) Any Alternative Transaction Fee payable to the Agent pursuant to this Section 20 will be paid by certified cheque to the Agent at the closing of the Alternative Business Transaction. For greater certainty, any amounts payable pursuant to this Section 20 shall be in addition to any amounts paid by the Corporation pursuant to section 10 or pursuant to the indemnity contemplated by Section 16.

(c) For the purposes of this Section 20:

(i) "**Alternative Business Transaction**" means: (i) the issuance of securities in excess of 5% of the total value or number of securities of the Corporation issued and outstanding as at the date of this Agreement; (ii) a transaction that results in a change in control of the Corporation or any material subsidiary of the Corporation; or (iii) the alienation of all or substantially all assets by the Corporation or any material subsidiary of the Corporation of assets greater than 50% resulting in the inability for the Corporation, to retain a significant part of its business activity;

(ii) "**change in control**" means, in respect of the Corporation or a material subsidiary of the Corporation, the acquisition by any Person, corporation or entity, or combination of the foregoing acting jointly and in concert (as determined in the manner prescribed by the *Securities Act* (Alberta)), by any means (including merger, amalgamation, arrangement, take-over bid, insider bid or reorganization), whether directly or indirectly, of voting securities of the Corporation or a material subsidiary, which, together with all other voting securities held by such Person, corporation or entity, constitutes in the aggregate more than 20% of all outstanding voting securities of the Corporation or a material subsidiary of the Corporation; and

(iii) "**material subsidiary**" means is a subsidiary of the Corporation that represents in excess of 50% of the assets, business and undertakings of the Corporation at the relevant time.

**Section 21 Severance**

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

**Section 22 Relationship Between the Corporation and the Agent**

The Corporation: (a) acknowledges and agrees that the Agent may have certain statutory obligations as a registrant under the Applicable Securities Laws and may have fiduciary relationships with its clients; (b) acknowledges and agrees that the Agent is not a fiduciary of the Corporation; and (c) consents to the Agent acting hereunder while continuing to act for its clients. To the extent that the Agent's statutory obligations as registrant under the Applicable Securities Laws or fiduciary relationships with its clients (if any) conflict with obligations hereunder, the Agent shall be entitled to fulfill its statutory obligations as a registrant under the Applicable Securities Laws and its duties to its clients. Nothing in this Agreement shall be interpreted to prevent the Agent from fulfilling its statutory obligations as a registrant under the Applicable Securities Laws or to act as a fiduciary of its clients.

**Section 23 Appointment of the Agent**

The Corporation acknowledges and agrees that the Agent has been appointed as an agent to perform certain functions including properly filling out the Subscription Agreements and to make certain decisions on behalf of the Subscribers as set forth in the Subscription Agreements. The Corporation will use all reasonable commercial efforts to assist the Agent in carrying out its appointment in this regard.

**Section 24 Notices**

Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Corporation, be addressed to:

MGold Resources Inc.
360 Bay Street, Suite 500
Toronto, Ontario M5H 2V6

Attention: Joel Scodnick
Fax No.: (705) 522-8694

with a copy to:

Lavery, de Billy, S.E.N.C.R.L. / L.L.P.,
Bureau 4000, 1 Place Ville Marie
Montréal, Québec H3B 4M4

Attention: Sébastien Vézina,
Fax No: (514)-871-8977

and, in the case of notice to be given to the Agent, be addressed to:

Macquarie Private Wealth Inc.

440 - 2nd Avenue S.W., Suite 2200
Calgary, Alberta T2P 5E9

Attention: Jeff German, CA, CBV
Fax No.: (403) 260-5785

with a copy to:

Davis LLP
10th Floor, Livingston Place, West Tower
250 - 2nd Street S.W.
Calgary, Alberta T2P 0C1

Attention: Peter Soby
Fax No.: (403) 296-4494

or to such other address as the party may designate by notice given to the others. Each communication shall be personally delivered to the addressee or sent by facsimile transmission to the addressee, and:

(a) a communication which is personally delivered shall, if delivered before 4:30 p.m. (local time) 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

(b) a communication which is sent by facsimile transmission shall, if sent on a Business Day before 4:30 p.m. (local time), 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 sent.

**Section 25 Announcements**

Subject to Applicable Securities Laws, the Corporation acknowledges and agrees that no press release or public announcement in connection with this Offering or the relationship between the Corporation and the Agent shall be made without the prior written consent of the Agent, such consent not to be unreasonably withheld. Nothing in this paragraph or this Agreement shall operate or have the effect of precluding the Corporation from discharging its continuous disclosure obligations or other obligations under Applicable Securities Laws.

**Section 26 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each of the Corporation and the Agent hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

**Section 27 Time of the Essence**

Time shall be of the essence of this Agreement.

**Section 28 Headings**

The headings in this Agreement are for convenience of reference only and are not to affect the construction and interpretation of this Agreement.

**Section 29 Included Words**

Wherever the singular or masculine is used in this Agreement, the same is deemed to include the plural or the feminine or the body corporate where the context or the parties so require.

**Section 30 Binding Agreement**

This Agreement will bind and benefit each of the parties including their respective successors and permitted assigns.

**Section 31 Collateral Representations**

None of the parties is bound by any representation or warranty or agreement not included in this Agreement, and in particular, no representation or warranty by any of the parties not expressed in this Agreement is to be implied.

**Section 32 Counterpart Execution**

This Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile transmission or other electronic communication.

**Section 33 Further Assurances**

Each party to this Agreement covenants and agrees that from time to time, it will, at the request of the requesting party, execute and deliver all such documents and do all such other acts and things as any party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

**Section 34 Entire Agreement**

It is understood that the terms and conditions of this Agreement supersede any previous verbal or written agreement between the Agent and the Corporation with respect to the issuance of securities by the Corporation including the Term Sheet.

**Section 35 Interpretation**

The parties hereto acknowledge and confirm that they have requested that this Agreement as well as all notices and other documents contemplated hereby be drawn up in the English language.

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and by returning the same to Macquarie Private Wealth Inc.

**MACQUARIE PRIVATE WEALTH INC.**

Per: *(signed) Jeff German*
Jeff German, CA, CBV
Vice President, PVC Corporate Finance

Per: *(signed) Chris Salapoutis*
Chris Salapoutis
Director

ACCEPTED AND AGREED to effective as of the 25th day of July, 2011.

**MGOLD RESOURCES INC.**

Per: *(signed) Joel Scodnick*
Joel Scodnick
President and Chief Executive Officer

## SCHEDULE "A"

To an Agreement dated effective July 25, 2011 between MGold Resources Inc. and Macquarie Private Wealth Inc.

1. The Corporation is a corporation duly incorporated and subsisting under the *Business Corporations Act* (Québec) (the "**BCAQ**") and has not been dissolved under the BCAQ. The Corporation is registered under the Legal Publicity Act, has not failed to meet its annual updating obligation under the Legal Publicity Act, has not failed to comply with a request under section 73 of the Legal Publicity Act and is not in the process of dissolving.

2. The Corporation has all necessary corporate power and capacity, and is qualified, to own, lease and operate its property and assets and to conduct its business at and in the places where such property and assets are now owned, leased or operated or such business is now conducted.

3. The Corporation is authorized to issue an unlimited number of common shares, of which 13,271,324common shares are issued and outstanding as of the close of business on September 14, 2011 and prior to the Offering.

4. The Corporation has all necessary corporate power and capacity, and has taken all necessary corporate action, to authorize the execution and delivery of each of the Agency Agreement, the Subscription Agreements, and the Agent Option Certificates (collectively, the "**Transaction Agreements**") and the performance of all of its obligations thereunder, including the sale, issue and delivery of the Common Shares, of the Agent's Commission Shares and of the Agent's Options, and the issue and delivery of the Agent's Option Common Shares upon due exercise of the Agent's Options in accordance with the terms thereto.

5. Each of the Transaction Agreements has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with the terms thereof.

6. The Common Shares have been duly authorized and issued as fully paid and non-assessable Common Shares.

7. The Agent's Options have been duly authorized, created and issued and the certificate representing the Agent's Options has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with the terms thereof. The Agent's Options have the attributes contemplated by the Agency Agreement and the Agent is entitled to the benefits, and is subject to the provisions, of the certificate representing the Agent's Options and the terms and conditions attached to the Agent's Options. The Agent's Option Common Shares have been allotted and reserved for issuance to the holder of the Agent's Options and the Agent's Option Common Shares will, when issued upon the exercise of the Agent's Options in accordance with the terms thereof, be issued as fully paid and non-assessable Common Shares.

8. The authorization, execution and delivery of each of the Transaction Agreements, the performance of the provisions thereof by the Corporation and the offering, issue and sale of the Common Shares, Agent's Commission Shares and the Agent's Options and the issue of the

Agent's Option Common Shares upon due exercise, do not and will not (i) require the consent, approval or authorization of, or registration or qualification with, any governmental authority, stock exchange, securities regulatory authority or other person, except such as have been obtained, (ii) conflict with or result in any breach or violation of the articles or by-laws of, or any resolution of the directors or shareholders of, the Corporation or, to our knowledge, any agreement or other instrument to which the Corporation is a party or by which it is bound, (iii) violate the provisions of any law, statute, rule or regulation to which the Corporation or the property or assets thereof is subject, or (iv) to our knowledge, breach any judgment or order of any court, governmental authority, agency, tribunal, arbitrator, stock exchange or securities regulatory authority or other authority to which the Corporation or any of the property or assets thereof is subject.

9. The form and terms of the certificates representing the Common Shares, the Agent's Commission Shares and the Agent's Options have been approved by the directors of the Corporation and conform with the provisions of the articles and by-laws of the Corporation and, to the extent applicable, the requirements of the Exchange and applicable law.

10. The offering, issue, sale and delivery of the Common Shares by the Corporation to Subscribers in accordance with the Subscription Agreements, the issue of the Agent's Commission Shares and of the Agent's Options to the Agent in accordance with the Agency Agreement, have been effected in such a manner as to be exempt, either by statute, regulation, instrument or order, from the prospectus requirements of the Securities Laws. No prospectus will be required, no other document will be required to be filed, no proceeding will be required to be taken and no approval, consent, order or authorization of any regulatory authority will be required to be obtained under the Securities Laws, other than those already obtained, to permit the offering, issue, sale and delivery of the Common Shares to the Subscribers, the issue of the Agent's Commission Shares and of the Agent's Options to the Agent, except for the filing by the Corporation of a completed report pursuant to Part 6 of Regulation 45-106 *respecting Prospectus and Registration Exemptions* with the AMF or National Instrument 45-106 *respecting Prospectus and Registration Exemptions* with the OSC, together with any other documents related thereto and the applicable fees, within ten days of such offering, issue, sale and delivery.

11. No prospectus or registration pursuant to the dealer registration requirements of the Securities Laws will be required and no other document will be required to be filed, no proceeding will be required to be taken and no approval, consent or authorization of any regulatory authority will be required to be obtained under the Securities Laws to permit the issue and delivery by the Corporation of the Agent's Commission Shares and of the Agent's Option Common Shares upon the due exercise of the Agent's Options by the respective holders thereof and in accordance with the terms thereof.

12. No prospectus will be required, no other document will be required to be filed, no proceeding will be required to be taken and no approval, consent, order or authorization of any regulatory authority will be required to be obtained under the Securities Laws to permit the first trade of the Common Shares and of the Agent's Commission Shares provided that:

    (a) at the time of such trade, the Corporation is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;

    (b) at least four months have elapsed from the "distribution date" as defined in Regulation 45-102 *respecting Resale of Securities* ("**45-102**");

(c) the certificates representing the Common Shares and the Agent's Commission Shares issued on the Closing Date are endorsed with the legend required pursuant to Section 2.5(2)3.(i) of 45-102;

(d) the trade is not a "control distribution" as defined in 45-102;

(e) no unusual effort is made to prepare the market or to create a demand for the securities that are subject to such trade;

(f) no extraordinary commission or consideration is paid to a person or corporation in respect of such trade; and

(g) if the seller of the securities in question is an insider or officer (as those terms are defined in the Securities Laws) of the Corporation, the seller has no reasonable grounds to believe that the Corporation is in default of any of its obligations under "securities legislation" (as that term is defined in Regulation 14-101 *Definitions* ("**14-101**")).

13. No prospectus will be required, no other document will be required to be filed, no proceeding will be required to be taken and no approval, consent, order or authorization of any regulatory authority will be required to be obtained under the Securities Laws to permit the first trade of the Agent's Option Common Shares after the due exercise of the Agent's Options by the respective holders thereof and in accordance with the terms thereof provided that:

(a) at the time of such trade, the Corporation is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;

(b) at least four months have elapsed from the "distribution date", as defined in 45-102;

(c) if the Agent's Option Common Shares are issued within four months from the "distribution date" as defined in 45-102, the certificates representing the Agent's Option Common Shares are endorsed with the legend required pursuant to Section 2.5(2)3.(i) of 45-102;

(d) the trade is not a "control distribution" as defined in 45-102;

(e) no unusual effort is made to prepare the market or to create a demand for the securities that are subject to such trade;

(f) no extraordinary commission or consideration is paid to a person or corporation in respect of such trade; and

(g) if the seller of the securities in question is an insider or officer (as those terms are defined in the securities laws) of the Corporation, the seller has no reasonable grounds to believe that the Corporation is in default of any of its obligations under "securities legislation" (as that term is defined in 14-101).

14. The Exchange has accepted the Corporation's notice of listing in respect of the Common Shares, the Agent's Commission Shares and the Agent's Option Common Shares, subject to compliance

by the Corporation with the listing conditions set out in the Private Placement Conditional Approval Letter.

15. Equity Financial Trust Company, at its principal offices in Toronto, has been duly appointed transfer agent and registrar for the Common Shares.

16. The Corporation is not included in the List of Reporting Issuers that have failed to provide periodic disclosure about their business and internal affairs in accordance with the conditions determined by the Québec Act or failed to provide any other disclosure prescribed by the Québec Act or to pay the required fees and the Corporation is not included in a list of reporting issuers under a cease trade order.

## SCHEDULE "B"

To an Agreement dated effective July 25, 2011 between MGold Resources Inc. and Macquarie Private Wealth Inc.

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE 16 JANUARY, 2012.**

**WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 16 JANUARY, 2012.**

**THIS AGENT OPTION CERTIFICATE, AND THE AGENT OPTIONS EVIDENCED HEREBY, WILL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE THE EXPIRY TIME (AS DEFINED BELOW).**

**MGOLD RESOURCES INC.**

a corporation existing under the laws of British Columbia

**NO. ♦** **♦ AGENT OPTIONS**

**AGENT OPTION CERTIFICATE**

**THIS IS TO CERTIFY THAT** for value received ♦ (the "**Holder**") is the registered holder of the number of agent's options (the "**Agent Options**") stated above and is entitled for each Agent Option represented hereby to purchase one common share (an "**Agent's Option Share**") in the capital of MGold Resources Inc. (the "**Corporation**"), at any time and from time to time from the date of issue hereof up to and including 4:30 p.m. (Toronto time) on September **16, 2013** (the "**Expiry Time**") at a price per Agent's Option Share equal to $0.10 (the "**Exercise Price**"), subject to adjustment as hereinafter provided, upon and subject to the following terms and conditions.

For purposes of this Agent Option Certificate:

(i) "**$**" means Canadian dollars, unless otherwise stated;

(ii) "**Business Day**" means any day other than a day that is a Saturday, a Sunday, a statutory holiday in Ontario or a day on which banks generally are not open to the public for business in Toronto, Ontario;

(iii) "**Current Market Price**" at any date means the volume weighted average price of the common shares of the Corporation on the TSX Venture Exchange (the "**TSXV**") or a Canadian stock exchange or over-the-counter market on which the common shares of the Corporation (the

"**Common Shares**") are then traded for the 20 consecutive trading days ending on the date prior to the date on which the Current Market Price must be determined or, if the Common Shares are not then traded on a stock exchange or over-the-counter market, the price per common shares as determined by the Directors, acting reasonably and in good faith; and

(iv) "**Director**" means a director of the Corporation for the time being, and reference, without more, to action by the directors means action by the directors of the Corporation as a board or, whenever duly empowered, action by an executive committee of the board.

The Agent Options are issued pursuant to an agency agreement dated effective July 25, 2011 between Macquarie Private Wealth Inc. and the Corporation.

**TERMS AND CONDITIONS**

1. The Agent Options represented by this Agent Option Certificate may not be exercised in the United States (as hereinafter defined) or by or on behalf of a U.S. Person (as hereinafter defined) nor will the Agent's Option Shares be registered or delivered to an address in the United States, unless an exemption from registration under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any U.S. state is available, and the prior consent of the Corporation is obtained (which will be delivered promptly and will not be unreasonably withheld but which may be conditioned on delivery of a legal opinion in form and substance satisfactory to the Corporation). As used herein, the terms "**United States**" and "**U.S. Person**" have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

2. At any time and from time to time after the date hereof and at or prior to the Expiry Time (the "**Exercise Period**"), the Holder may exercise all or any number of Agent Options represented hereby, upon delivering to the Corporation at the address noted on the Subscription Notice (as hereinafter defined), together with a duly completed and executed subscription notice in the form attached hereto as Schedule "A" (the "**Subscription Notice**") evidencing the election of the Holder to exercise the number of Agent Options set forth in the Subscription Notice and a certified cheque, money order or bank draft payable to the Corporation for the aggregate Exercise Price of all Agent Options being exercised. If the Holder is not exercising all Agent Options represented by this Agent Option Certificate, the Holder shall be entitled to receive, without charge, a new Agent Option Certificate representing the number of Agent Options which is the difference between the number of Agent Options represented by the then original Agent Option Certificate and the number of Agent Options being so exercised.

3. The Holder shall be deemed to have become the holder of record of the Agent's Option Shares on the date (the "**Exercise Date**") on which the Corporation has received a duly completed Subscription Notice, delivery of the Agent Option Certificate and payment of the full aggregate Exercise Price in respect of the Agent Options being exercised pursuant to such Subscription Notice; provided, however, that if such date is not a Business Day, then the Agent's Option Shares shall be deemed to have been issued and the Holder shall be deemed to have become the holder of record of the Agent's Option Shares on the next following Business Day. Within five (5) Business Days of the Exercise Date, the Corporation shall issue and deliver (or cause to be delivered) to the Holder, by registered mail or pre-paid courier to his, her or its address specified in the register of the Corporation, one or more certificates for that number of Agent's Option Shares subscribed for pursuant to the Subscription Notice. All costs, expenses, transfer taxes and other charges payable in connection with the issue and delivery of the Agent's Option Shares shall be at the sole expense of the Corporation (other than withholding tax, if any). If required by law or the rules and policies of the TSXV or any other stock exchange or regulatory authority having jurisdiction, any such certificate or certificates, when delivered to the Holder pursuant to this Section 3, shall bear the legends set forth on the face page of this Agent Option Certificate or such other legends which may be required by applicable securities law on the date of exercise.

4. The Corporation covenants and agrees that, until the Expiry Time, while any of the Agent Options represented by this Agent Option Certificate are outstanding, it shall reserve and there shall remain unissued out of its authorized capital, a sufficient number of Agent's Option Shares to satisfy the right of purchase herein and therein provided, as such right of purchase of the Agent's Option Shares may be adjusted pursuant to Sections 5 and 6 of this Agent Option Certificate. The Corporation represents and warrants that all Agent's Option Shares which shall be issued upon the exercise of the right to purchase herein provided for upon payment of the aggregate Exercise Price at which time such Agent's Option Shares may be issued pursuant to the provisions hereof and shall be issued as fully paid and non-assessable Common Shares and the holders thereof shall not be liable to the Corporation or its creditors in respect thereof. The Corporation further represents and warrants that this Agent Option Certificate is a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms. The Corporation covenants that it will make all requisite filings under applicable laws in connection with the exercise of the Agent Options and the issue of the Agent's Option Shares.

5. The Exercise Price (and the number of Agent's Option Shares issuable upon exercise of the Agent Options) shall be subject to adjustment from time to time in the events and in the manner provided as follows:

(a) Share Reorganization. If during the Exercise Period the Corporation shall:

(i) issue Common Shares or securities exchangeable for or convertible into Common Shares to holders of all or substantially all of its then outstanding Common Shares by way of stock dividend or other distribution, or

(ii) subdivide, redivide or change its outstanding Shares into a greater number of Common Shares, or

(iii) consolidate, reduce or combine its outstanding Common Shares into a lesser number of Common Shares,

(any of such events in these paragraphs (i), (ii) and (iii) being a "**Share Reorganization**"), then the Exercise Price shall be adjusted as of the effective date or record date, as the case may be, at which the holders of Common Shares are determined for the purpose of the Share Reorganization by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Share Reorganization and the denominator of which shall be the number of Shares outstanding as of the effective date or record date after giving effect to such Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Shares that would have been outstanding had such securities been fully exchanged for or converted into Shares on such record date or effective date). From and after any adjustment of the Exercise Price pursuant to this Section 5(a), the number of Agent's Option Shares purchasable pursuant to this Agent Option Certificate shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Agent's Option Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(b) Rights Offering. If and whenever during the Exercise Period the Corporation shall fix a record date for the issue or distribution of rights, options or warrants to all or substantially all of the holders of Common Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per Common Share to the holder (or having a conversion price or exchange price per Share) of less than 95% of the Current Market

Price for the Common Shares on such record date (any of such events being called a "**Rights Offering**"), then the Exercise Price shall be adjusted effective immediately after the record date for the Rights Offering to a price determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of:

(A) the number of Common Shares outstanding as of the record date for the Rights Offering, and

(B) a number determined by dividing either

I. the product of the number of Common Shares offered under the Rights Offering and the price at which such Common Shares are offered,

or, as the case may be,

II. the product of the exchange or conversion price per Common Share of such securities offered and the maximum number of Shares for or into which the securities so offered pursuant to the Rights Offering may be exchanged or converted,

by the Current Market Price of the Common Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Common Shares outstanding on such record date after giving effect to the Rights Offering and the number of Common Shares offered pursuant to the Rights Offering (including Common Shares issuable upon exercise of the rights, warrants or options under the Rights Offering or upon the exercise of the exchange or conversion rights contained in such exchangeable or convertible securities under the Rights Offering).

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that such Rights Offering is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued. From and after any adjustment of the Exercise Price pursuant to this Section 5(b), the number of Agent's Option Shares purchasable pursuant to this Agent Option Certificate shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Agent's Option Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(c) Special Distribution. If and whenever during the Exercise Period the Corporation shall issue or distribute to all or to substantially all of the holders of the Common Shares:

(i) securities of the Corporation including shares, rights, options or warrants to acquire shares of any class or securities exchangeable for or convertible into or exchangeable into any such shares or cash, property or assets or evidences of its indebtedness, or

(ii) any cash, property or other assets, and if such issuance or distribution does not constitute dividends paid in the ordinary course, a Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted immediately after the record date for the Special Distribution so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the difference between:

(A) the amount obtained by multiplying the number of Common Shares outstanding on such record date by the Current Market Price of the Common Shares on such record date, and

(B) the fair value (as conclusively determined by a firm of nationally or internationally recognized and independent chartered accountants (who may be the Corporation's auditors) and any such determination shall be binding upon the Corporation and the Holder, absent manifest error) of the consideration received by the holders of such Common Shares in connection with such Special Distribution; and

(ii) the denominator of which shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price of the Shares on such record date.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. To the extent that such Special Distribution is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued. From and after any adjustment of the Exercise Price pursuant to this Section 5(c), the number of Agent's Option Shares purchasable pursuant to this Agent Option Certificate shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Agent's Option Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(d) Capital Reorganization. If and whenever during the Exercise Period there shall be a reclassification or redesignation of Common Shares at any time outstanding or a change of the Common Shares into other shares or into other securities or any other capital reorganization (other than a Share Reorganization), or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other corporation or other entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification or redesignation of the outstanding Common Shares or a change of the Common Shares into other securities), or a transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity (any of such events being herein called a "**Capital Reorganization**"), the Holder, where he has not exercised the right of subscription and purchase under this Agent Option Certificate prior to the effective date or record date, as the case may be, of such Capital Reorganization, shall be entitled to receive, and shall accept upon the exercise of such right for the same aggregate consideration, in lieu of the number of Agent's Option Shares to which such Holder was theretofore entitled upon such exercise, the kind and aggregate number of shares, other securities or other property which such Holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, he had been the registered holder of the number of Agent's Option Shares to which such Holder was theretofore entitled to subscribe for and purchase; provided, however, that no such Capital Reorganization shall be carried into effect unless all necessary steps shall have been taken to so entitle the Holder. If determined appropriate by the Directors, acting reasonably and in good faith, and subject to the prior written approval of the TSXV or a Canadian stock exchange or over-the-counter market on which the Common Shares are then listed or quoted for trading (if applicable), appropriate adjustments shall be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Section 5 with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Section 5 shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares, other securities or other property thereafter deliverable upon the exercise of any Agent Option. Any such adjustments shall be made by and set forth in terms and conditions supplemental hereto approved by the Directors, acting reasonably and in good faith.

(e) If and whenever at any time after the date hereof and prior to the Expiry Time, the Corporation takes any action affecting its Common Shares to which the foregoing provisions of this Section 5, in the opinion of the Directors, acting reasonably and in good faith, are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Holder against dilution in accordance with the intent and purposes thereof, or would otherwise materially affect the rights of the Holder hereunder, then the Corporation shall execute and deliver to the Holder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such a manner as the Directors may determine to be equitable in the circumstances, acting reasonably and in good faith. The failure of the taking of action by the Directors to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence that the Directors have determined that it is equitable to make no adjustment in the circumstances.

6. The following rules and procedures shall be applicable to the adjustments made pursuant to Section 5:

(a) The adjustments provided for in Section 5 are cumulative and shall be made successively whenever an event referred to therein shall occur, and shall, in the case of adjustments to the Exercise Price be computed to the nearest one-tenth of one cent subject to the following paragraphs of this Section 6.

(b) No adjustment in the Exercise Price shall be required unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment shall be made in the number of Agent's Option Shares purchasable upon exercise of the Agent Options unless it would result in a change of at least one one-hundredth of an Agent's Option Share; provided, however, that any adjustments which, except for the provisions of this Section 6(b) would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment. Notwithstanding Section 5 or 6 hereof, no adjustment shall be made which would result in an increase in the Exercise Price or a decrease in the number of Agent's Option Shares purchasable upon the exercise of the Agent Options (except in respect of a consolidation of the outstanding Common Shares).

(c) No adjustment in the Exercise Price or in the number of Agent's Option Shares purchasable upon exercise of the Agent Options shall be made in respect of any event described in Section 5, other than the events referred to in Sections 5(a)(ii) and (iii), if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis,* as if it had exercised its Agent Options prior to or on the effective date or record date, as the case may be, of such event. The terms of the participation of the Holder in such event shall be subject to the prior written approval, if applicable, of the TSXV or a Canadian stock exchange or over-the-counter market on which the Common Shares are then listed or quoted for trading.

(d) No adjustment in the Exercise Price shall be made pursuant to Section 5 in respect of the issue from time to time:

(i) of dividends paid in the ordinary course of Common Shares to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend and any such dividend will be deemed not to be a Share Reorganization; or

(ii) of Common Shares pursuant to any stock option, stock option plan, stock purchase plan or benefit plan in force at the date hereof for Directors, officers, employees, advisers or consultants of the Corporation, as such option or plan is amended or superseded from time to time in accordance with the requirements of the principal Canadian stock exchange or over-the-counter market on which the Common Shares are then listed or quoted for trading (if applicable) and applicable securities laws, and such other stock option, stock option plan, stock purchase plan or benefit plan as may be adopted by the Corporation in accordance with the requirements of the TSXV or a Canadian stock exchange or over-the-counter market on which the Common Shares are then listed or quoted for trading (if applicable) and applicable securities laws;

and any such issue shall be deemed not to be a Share Reorganization or Capital Reorganization.

(e) If the Corporation shall set a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such shareholders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Agent's Option Shares purchasable upon exercise of any Agent Options shall be required by reason of the setting of such record date.

(f) As a condition precedent to the taking of any action which would require any adjustment in any of the subscription rights pursuant to this Agent Option Certificate, including the Exercise Price and the number or class of shares or other securities which are to be received upon the exercise thereof, the Corporation shall take any corporate action which may, in the opinion of counsel, be necessary in order that the Corporation have unissued and reserved shares in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the holder of such Agent Option Certificate is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

(g) In the absence of a resolution of the Directors fixing a record date for any dividend or distribution referred to in Section 5(a)(i) or any Rights Offering or Special Distribution, the Corporation shall be deemed to have fixed as the record date therefor the date on which such dividend or distribution, Rights Offering or Special Distribution is effected.

(h) Any question that at any time or from time to time arises with respect to the amount of any adjustment to the Exercise Price or other adjustments pursuant to Section 5 shall be conclusively determined by a firm of nationally or internationally recognized and independent chartered accountants (who may be the Corporation's auditors) and shall be binding upon the Corporation and the Holder, absent manifest error. Notwithstanding the foregoing, such determination shall be subject to the prior written approval of the TSXV or a Canadian stock exchange or over-the-counter market on which the Common Shares are then listed or quoted for trading (if applicable). In the event that any such determination is made, the Corporation shall notify the Holder in the manner contemplated in Section 18 describing such determination.

7. On the happening of each and every such event set out in Section 5, the applicable provisions of this Agent Option Certificate, including the Exercise Price, shall, *ipso facto,* be deemed to be amended accordingly and the Corporation shall take all necessary action so as to comply with such provisions as so amended.

8. In any case in which Section 5 shall require that an adjustment shall be effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such an event:

(a) issuing to the holder of any Agent Option exercised after such record date and before the occurrence of such event, the additional Agent's Option Shares purchasable upon such exercise by reason of the adjustment required by such event, and

(b) delivering to such holder any distributions declared with respect to such additional Agent's Option Shares after such Exercise Date and before such event;

provided, however, that the Corporation shall deliver or cause to be delivered to such holder, an appropriate instrument evidencing such holder's right, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price and/or the number of Agent's Option Shares purchasable on the exercise of any Agent Option and to such distributions declared with respect to any additional Agent's Option Shares purchasable on the exercise of any Agent Option.

9. At least ten (10) Business Days prior to the effective date or record date, as the case may be, of any event which requires or might require adjustment in any of the subscription rights pursuant to this Agent Option Certificate, including the Exercise Price and the number of Agent's Option Shares which are purchasable upon the exercise thereof, or such longer period of notice as the Corporation shall be required to provide holders of Agent Options in respect of any such event, the Corporation shall notify the Holder of the particulars of such event and, if determinable, the required adjustment and the computation of such adjustment. In case any adjustment for which such notice has been given is not then determinable, the Corporation shall promptly after such adjustment is determinable notify the Holder of the adjustment and the computation of such adjustment.

10. The Corporation shall maintain a register of holders in which shall be entered the names and addresses of the holders of the Agent Options and of the number of Agent Options held by them. Such register shall be open at all reasonable times for inspection by the Holder. The Corporation shall notify the Holder forthwith of any change of address for the purposes of delivery in the Subscription Notice.

11. The Corporation shall not be required to issue fractional Agent's Option Shares in satisfaction of its obligations hereunder.

12. Subject as herein provided, all or any of the rights conferred upon the Holder by the terms hereof may be enforced by the Holder by appropriate legal proceedings.

13. The Holder of this Agent Option Certificate may at any time up to and including the Expiry Time, upon the surrender hereof to the Corporation at the address noted on the Subscription Notice, exchange this Agent Option Certificate for one or more Agent Option Certificates entitling the Holder to subscribe in the aggregate for the same number of Agent Options as is expressed in this Agent Option Certificate. Any Agent Option Certificate tendered for exchange shall be surrendered to the Corporation and cancelled. After the Expiry Time, all rights under any Agent Options evidenced hereby, in respect of which the right of subscription and purchase herein provided for shall not theretofore have been exercised, shall wholly cease and terminate and such Agent Options shall be void and of no value or effect.

14. If this Agent Option Certificate becomes stolen, lost, mutilated or destroyed, the Corporation shall, on such terms as it may in its discretion acting reasonably impose, issue and deliver to the Holder a new Agent Option Certificate of like denomination, tenor and date as the Agent Option Certificate so stolen, lost,

mutilated or destroyed. If this Agent Option Certificate becomes stolen, lost, mutilated or destroyed, the Corporation may, on such terms as it may in its discretion impose, including the requirement to: (i) furnish to the Corporation such evidence of ownership and of the loss, destruction or theft of the Agent Option Certificate to be replaced as is satisfactory to the Corporation in its sole discretion; and (ii) provide a bond of indemnity, issue and countersign a new Agent Option Certificate of like denomination, tenure and date as the certificate so stolen, lost, mutilated or destroyed.

15. Nothing contained herein shall confer any right upon the Holder hereof or any other person to subscribe for or purchase any Common Shares at any time subsequent to the Expiry Time. After the Expiry Time, this Agent Option Certificate and all rights hereunder shall be void and of no value.

16. Except as expressly set out herein, the holding of this Agent Option Certificate or the Agent Options represented hereby shall not constitute the Holder hereof a holder of shares of the Corporation (including, the Common Shares) nor entitle it to any right of interest in respect thereof.

17. Unless herein otherwise expressly provided, any notice to be given hereunder to the Holder shall be deemed to be validly given if such notice is given by personal delivery or registered mail to the attention of the Holder at its registered address recorded in the registers maintained by the Corporation. Any notice so given shall be deemed to be validly given, if delivered personally, on the day of delivery and if sent by post or other means, on the fifth Business Day following the sending thereof. In determining under any provision hereof the date when notice of any event must be given, the date of giving notice shall be included and the date of the event shall be excluded.

18. Time is of the essence hereof.

19. The Agent Options are non-transferrable.

20. This Agent Option Certificate is binding upon the Corporation and its successors and assigns.

21. This Agent Option Certificate may be signed by any Director or officer of the Corporation or by any other individual to whom such signing authority is delegated by the Directors from time to time. Such signatures of any of the officers or individuals may be manual signatures, engraved, lithographed or printed in facsimile and any Agent Option Certificate bearing such facsimile signatures will be binding on the Corporation as if they had been manually signed by such officers or individuals. Notwithstanding that any person whose manual or facsimile signature appears on a Agent Option Certificate as one of the Directors, officers or individuals no longer holds the same or any other office with the Corporation at the date of issuance of any Agent Option Certificate or at the date of certification or delivery thereof, such Agent Option Certificate will be valid and binding on the Corporation.

**[The remainder of this page left intentionally blank]**

22. This Agent Option Certificate and the Agent Options represented hereby shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the Corporation and the Holder hereby attorns to the non-exclusive jurisdiction of the courts of the province of Ontario.

**IN WITNESS WHEREOF** this Agent Option Certificate has been executed on behalf of MGold Resources Inc. as of the 15th day of September, 2011.

**MGOLD RESOURCES INC.**

By: ______________________________

Authorized Signing Officer

**SCHEDULE "A"**

**SUBSCRIPTION NOTICE**

TO: MGOLD RESOURCES INC.
360 Bay Street, Suite 500
Toronto, Ontario, M5H 2V6

Attention: President
Terms used herein but not otherwise defined have the meanings ascribed thereto in the attached Agent Option Certificate.

The undersigned Holder of the attached Agent Option Certificate, hereby:

(a) subscribes for ____________________________ Agent's Option Shares at a price of $0.10 per Agent's Option Share (or such adjusted price which may be in effect under the provisions of the Agent Option Certificate) and in payment of the aggregate Exercise Price encloses a certified cheque, bank draft or money order in lawful money of Canada payable to the order of MGold Resources Inc. or its successor corporation; and

(b) delivers herewith the above-mentioned Agent Option Certificate entitling the undersigned to subscribe for the above-mentioned number of Units,

in each case in accordance with the terms and conditions set out in the attached Agent Option Certificate.

The undersigned hereby directs that the Agent's Option Shares issuable to the undersigned upon exercise of the Agent Options be registered as follows:

| Name(s) in full | Address(es) (including postal code) | Number of Agent's Option Shares | Number of Agent Options (if any) |
|---|---|---|---|
| | | | |
| | | | |

*(Please print full name in which Agent's Option Share certificate(s), and, if applicable, Agent Option Certificate(s) are to be issued. If any of the Agent's Option Shares are to be issued to a person or persons other than the Holder, the Holder must pay to the Corporation all requisite taxes or other governmental charges.)*

The Holder hereby certifies that it is not a U.S. Person or a person in the United States, and is not acquiring any of the Agent's Option Shares hereby subscribed for the account or benefit of a U.S. Person or a person in the United States, and none of the persons listed in paragraph (b) above is a U.S. Person or a person in the United States, other than an Accredited Investor as defined in Rule 501(a) under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"). For purposes hereof the terms "United States" and "U.S. Person" shall have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

DATED this __________ day of ______________, 20___.

______________________________________
(Signature of Holder)

______________________________________
(Print Name of Holder)

______________________________________
(Address of Holder in full)

______________________________________

______________________________________

***The certificates will be mailed by registered mail to the addresses in this Subscription Notice.***