THIS INDENTURE made as of the 18th day of February, 2005.

BETWEEN:

PURE GOLD MINERALS INC., a corporation amalgamated under the laws of the province of Ontario,

(hereinafter called the "**Company**"),

OF THE FIRST PART;

AND:

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company incorporated under the laws of Canada,

(hereinafter called the "**Trustee**"),

OF THE SECOND PART.

WHEREAS the authorized capital of the Company consists of an unlimited number of common shares without par value, of which 105,545,378 common shares have been allotted and issued and are outstanding as fully paid and non-assessable shares;

AND WHEREAS the Company has offered Rights to its holders of common shares as at the close of business on March 3, 2005 entitling such holders to subscribe for Units ("**Units**"). Each Unit to consist of one Common Share and one-half of one Series A Warrant as hereinafter defined;

AND WHEREAS the Company under the laws relating thereto is duly authorized to create and issue the Series A Warrants to be constituted and issued as herein provided;

AND WHEREAS all things necessary have been or will be done and performed to make each of the Series A Warrants and the Warrant Certificates as hereinafter defined legal, valid and binding upon the Company with the benefits and subject to the terms of this Indenture.

NOW THEREFORE THIS INDENTURE WITNESSETH that for other good and valuable consideration mutually given and received, the receipt and sufficiency whereof is hereby acknowledged, the parties hereto have agreed and declared as follows:

ARTICLE ONE
INTERPRETATION

1.01 DEFINITIONS

In this Indenture, unless there is something in the subject matter or context inconsistent therewith:

(a) "certified resolution" means a copy of a resolution certified by the president or the secretary of the Company under its corporate seal which has been duly passed by the directors and which is to be in full force and effect on the date of such certification;

(b) “close of business” means 4:00 p.m. in the afternoon in the places of exercise described in section 4.01;

(c) “Common Shares” means the common shares without par value in the capital stock of the Company as presently constituted;

(d) “Company” means the Party of the First Part and its lawful successors from time to time;

(e) “Company's auditors” means an independent firm of accountants duly appointed as auditors of the Company;

(f) “counsel” means a barrister or solicitor (who may be of counsel for the Company) acceptable to the Trustee;

(g) “director” means a director of the Company for the time being, and reference without more to "action by the directors" means action by the directors of the Company as a board or, whenever duly empowered, action by an executive committee of the Board;

(h) “Exercise Price” means the sum of Ten cents ($0.10) in Canadian funds per Common Share;

(i) “this Indenture”, “herein”, “hereby” and similar expressions mean or refer to this Indenture and any indenture, deed or instrument supplemental or ancillary hereto; and the expressions "Article" and "Section" followed by a number mean and refer to the specified Article or Section of this Indenture;

(j) “person” means an individual, a corporation, a partnership, a trustee or any unincorporated organization, and words importing persons have a similar meaning;

(k) “Rights” means the rights offered under the Rights Offering;

(l) “Rights Offering” means an offering of rights to shareholders of the Company entitling such shareholders to subscribe for Units, pursuant to the terms of a circular of the Company dated February 18, 2005;

(m) “Series A Warrant” means a Common Share purchase warrant in the capital of the Company, exercisable for twelve months from the Rights Expiry Date, to purchase Common Shares at a price of $0.10 each;

(n) “Time of Expiry” means 4:00 p.m. (Local Time) on April 7, 2006;

(o) “Trustee” means the Party of the Second Part or its successors for the time being in the trusts hereby created;

(p) “Units” means the Units to be issued on the exercise of the Rights consisting of one Common Share and one-half of one Series A Warrant;

(q) “Unitholders” means the holders of the Units at the time of expiry of the Rights;

(r) “Warrant Certificates” means certificates evidencing the Series A Warrants;

(s) “Warrantholders” means the beneficial owners of the Series A Warrants;

(t) “Warrantholders' Request” means an instrument, signed in one or more counterparts by the Warrantholders entitled to purchase in the aggregate not less than twenty-five per cent (25%) of the aggregate number of shares which could be purchased pursuant to all the Series A Warrants outstanding for the time being, requesting the Trustee to take some action or proceeding specified therein;

(u) “written order of the Company”, “written request of the Company”, “written consent of the Company” and “certificate of the Company” mean, respectively, a written order, request, consent and certificate signed in the name of the Company by the president or a vice-president and by the secretary or an assistant secretary, or by any one of the said officers and a director, and may consist of one or more instruments so executed; and

(v) words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.02 INTERPRETATION NOT AFFECTED BY HEADINGS, ETC.

The division of this Indenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture.

1.03 APPLICABLE LAW

This Indenture and the Series A Warrants shall be construed in accordance with the laws of the Province of British Columbia and shall be treated in all respects as British Columbia contracts.

1.04 TIME OF THE ESSENCE

Time shall be of the essence of this Indenture.

ARTICLE TWO
ISSUANCE OF SERIES A WARRANTS

2.01 FORM AND TERMS OF SERIES A WARRANTS

(1) The Company shall issue to the Unitholders up to 8,795,448 Series A Warrants entitling the holders thereof to purchase in the aggregate 8,795,448 Common Shares at the Exercise Price. Each Unitholder shall be issued one Series A Warrant for each two Units held.

(2) Subject to Article Four, each whole Series A Warrant shall entitle the holder thereof to purchase one Common Share at the Exercise Price at any time until the Time of Expiry.

(3) Series A Warrants shall be substantially in the form attached hereto as Exhibit “A”, shall bear such distinguishing letters and numbers as the Company shall with the approval of the Trustee prescribe, and shall be issuable in any denomination authorized by the Company excluding fractions. Any fractions will be rounded down to the next whole number.

2.02 ISSUE OF SERIES A WARRANTS

8,795,448 Series A Warrants entitling the holders thereof to purchase up to an aggregate of 8,795,448 Common Shares are hereby created and authorized to be issued. Series A Warrant Certificates shall be executed by the Company and countersigned by or on behalf of the Trustee and delivered by it to or to the order of the Company. The Series A Warrant Certificates may be issued and delivered to the Warrantholders at any time after April 7, 2005.

2.03 ISSUE IN SUBSTITUTION FOR LOST WARRANTS

If a Series A Warrant Certificate is mutilated, lost, destroyed or stolen the Company shall issue and deliver a new warrant certificate representing the same number of warrants as this Warrant Certificate in lieu of and in substitution for such mutilated, lost, destroyed or stolen Warrant Certificate. The applicant for the issue of the new Warrant Certificate shall bear the costs of the issue thereof and shall furnish the Company and the Trustee with such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate and with such indemnity and surety bond in the amount and form satisfactory to the Company and the Trustee in their discretion.

2.04 WARRANTHOLDER NOT A SHAREHOLDER

The holding of a Series A Warrant shall not constitute the holder thereof a shareholder of the Company nor entitle him to any right or interest in respect thereof except as herein and in the Series A Warrant expressly provided.

2.05 EXCHANGE OF WARRANT CERTIFICATES

(1) Warrant Certificate(s) representing any specified number of Series A Warrants may, upon compliance with the reasonable requirements of the Trustee, be exchanged for one or more other Warrant Certificate(s) entitling the Holder to, in the aggregate, the same number of Series A Warrants as are evidenced by the Warrant Certificate(s) so exchanged.

(2) Warrant Certificates may be exchanged only at the principal transfer office of the Trustee in Vancouver, British Columbia or Toronto, Ontario. Any Warrant Certificates tendered for exchange shall be surrendered to the Trustee and be cancelled.

(3) Except as otherwise herein provided, the Trustee shall charge the Holder requesting an exchange of one or more Warrant Certificates a reasonable sum for each new Warrant Certificate issued pursuant to such exchange; and payment of such charges and reimbursement of the Trustee or the Company for any and all stamp taxes or governmental or other charges required to be paid shall be made up by the Holder as a condition precedent to such exchange.

ARTICLE THREE
SIGNING AND TRANSFER OF SERIES A WARRANTS

3.01 SIGNING OF SERIES A WARRANTS

The Series A Warrants shall be signed by the president and any one of the vice-president, secretary or treasurer of the Company and may but need not be under the corporate seal of the Company or a reproduction thereof (which, if used, shall be deemed to be the corporate seal of the Company). The signatures of such officers may be mechanically reproduced in facsimile and Series A Warrants bearing such facsimile signatures shall be binding upon the Company as if they had been manually signed by such officers. Notwithstanding that any of the persons whose manual or facsimile signature appears on any Series A Warrant as one of such officers may no longer hold office at the date of this Indenture or at the date of such Series A Warrant or at the date of countersignature or at the delivery thereof, any Series A Warrant signed as aforesaid shall be valid and binding upon the Company.

3.02 <u>COUNTERSIGNATURE BY TRUSTEE</u>

(1) No Series A Warrant shall be issued or, if issued, shall be valid or entitle the holder to the benefit thereof until it has been countersigned by or on behalf of the Trustee substantially in the form of the certificate set out in Exhibit A or in the form approved by the Trustee and such countersignature by the Trustee upon any Series A Warrant shall be conclusive evidence as against the Company that the Series A Warrant so countersigned has been duly issued hereunder and that the holder is entitled to the benefit hereof.

(2) The countersignature of the Trustee on Series A Warrants issued hereunder shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of the Series A Warrants and the Trustee shall in no respect be liable or answerable for the use made of the Series A Warrants or any of them or of the consideration thereof.

3.03 <u>OWNERSHIP AND TRANSFER OF SERIES A WARRANTS</u>

The Series A Warrants are transferable and shall be issued to the Warrantholders in the form of the Warrant Certificate attached as Exhibit "A" hereto, provided such transfer is made in accordance with applicable securities legislation, by completing the Transfer Form set out in Exhibit "A".

3.04 <u>NOTICE TO WARRANTHOLDERS</u>

(1) Unless herein otherwise expressly provided, any notice to be given hereunder to Warrantholders shall be written and shall be deemed to be validly given if the notice is sent by prepaid mail, addressed to the holder at their respective addresses appearing on the register maintained by the Trustee; and if in the case of joint holders of any Warrants more than one address appears on the register in respect of that joint holding, the notice shall be addressed or delivered, as the case may be, only to the first address so appearing. Any notice so given shall be deemed to have been received on the fifth business day following the day of mailing of the notice. Accidental error or omission in giving notice or accidental failure to mail notice to any Warrantholder shall not invalidate any action or proceeding founded thereon.

(2) If, by reason of strike, lock-out or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrantholders hereunder could reasonably be considered unlikely to reach or be delayed in reaching its destination, the notice shall be valid and effective if published or distributed once in the Report on Business section of the national edition of The Globe and Mail newspaper, or, in the event of a disruption in the circulation of that newspaper, once in a daily newspaper in the English language approved by the Trustee of general circulation in the Cities of Toronto, Vancouver Calgary, Regina and Winnipeg; provided that in the case of a notice convening a meeting of the holders of Warrants, the Trustee may require such additional publications of that notice, in the same or in other cities or both, as it may deem necessary for the reasonable protection of the holders of Warrants or to comply with any applicable requirement of law or any stock exchange. Any notice so given shall be deemed to have been given on the day on which it has been published in all of the cities in which publication was required (or first published in a city if more than one publication in that city is required). In determining under any provision hereof, the date when notice of any meeting or other event

must be given, the date of giving notice shall be included and the date of the meeting or other event shall be excluded.

3.05 PURCHASE OF SERIES A WARRANTS BY THE COMPANY

The Company may, at its option, at any time purchase Series A Warrants by private agreement or otherwise, at the lowest price or prices at which, in the opinion of the directors, such Series A Warrants are obtainable, plus costs of purchase. The Company shall forthwith deliver to the Trustee for cancellation any Series A Warrants so purchased by the Company.

ARTICLE FOUR
EXERCISE OF SERIES A WARRANTS

4.01 METHOD OF EXERCISE OF SERIES A WARRANTS

(1) The holder of any Series A Warrant may exercise the right thereby conferred on him to purchase Common Shares by surrendering to the Trustee, on or before the Time of Expiry, at its principal transfer office of the Trustee in the city of Vancouver or Toronto or at any other place or places that may be designated by the Company with the approval of the Trustee:

(a) the Series A Warrant, with a duly completed and executed subscription in the form set out in Exhibit A; and

(b) certified cheque, bank draft or money order in lawful money of Canada payable to the Company in an amount equal to the Exercise Price in respect of each Common Share subscribed for.

A Series A Warrant with a duly completed subscription form and together with payment of the Exercise Price for a Common Share shall be deemed to be surrendered only upon personal delivery thereof to the Trustee at the office set forth above, or, if sent by mail upon actual receipt thereof by the Trustee at such principal office.

(2) Any subscription referred to in subsection 4.01(1) shall be signed by the Warrantholder and shall specify the number of Common Shares which the holder desires to purchase (being not more than those which he is entitled to purchase pursuant to the Series A Warrant surrendered), person or persons in whose name or names such Common Shares are to be issued, his or their address or addresses and the number of Common Shares to be issued to each such person if more than one is so specified. If any of the Common Shares subscribed for are to be issued to a person or persons other than the Warrantholder, the Warrantholder shall pay to the Trustee or its agent all requisite taxes or other governmental charges.

4.02 EFFECT AND EXERCISE OF SERIES A WARRANTS

(1) Upon surrender and payment by the holder of any Series A Warrant in accordance with Article 4.01, the Common Shares so subscribed for shall be deemed to have been issued and the person or persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of record of such Common Shares on the date of such surrender and payment unless the transfer books of the Company shall be closed on such date, in which case the Common Shares so subscribed for shall be deemed to have been issued and such person or persons shall

be deemed to have become the holder or holders of record of such Common Shares on the date on which such transfer books were reopened and such Common Shares shall be issued at the Exercise Price in effect on the date of such surrender and payment.

(2) When the transfer registers of the Company have been open for five business days after the due exercise of a Series A Warrant as aforesaid, the Company shall forthwith cause to be mailed to the person or persons in whose name or names the Common Shares so subscribed for are to be issued as specified in the subscription endorsed on the Series A Warrant at his or their respective addresses specified in such subscription or, if so specified in such subscription, cause to be delivered to such person or persons at the office where such Series A Warrant was surrendered, a certificate or certificates for the appropriate number of Common Shares so subscribed for.

4.03 SUBSCRIPTION FOR LESS THAN ENTITLEMENT

The holder of any Series A Warrant may subscribe for and purchase a number of Common Shares less than the number which he is entitled to purchase pursuant to the surrendered Series A Warrant. In the event of a purchase of a number of Common Shares less than the number which may be purchased pursuant to a Series A Warrant, the holder thereof shall be entitled to receive a new Series A Warrant certificate in respect of the balance of the Series A Warrants remaining unexercised.

4.04 NO FRACTIONAL COMMON SHARES

Under no circumstances shall the Company be obliged to issue any fractional Common Shares upon the exercise of any Series A Warrants nor any cash in lieu thereof. If the number of Common Shares to which a Warrantholder would otherwise be entitled upon the exercise of a Series A Warrant is not a whole number then the number of Common Shares to be issued will be rounded down to the next whole number.

4.05 EXPIRATION OF SERIES A WARRANTS

After the Time of Expiry all rights under any Series A Warrant in respect of which the right of subscription and purchase of Common Shares herein and therein provided for shall not theretofore have been exercised shall wholly cease and terminate and such Series A Warrants shall be void and of no effect.

4.06 CANCELLATION OF SURRENDERED SERIES A WARRANT

All Series A Warrants surrendered to the Trustee shall be cancelled and destroyed by the Trustee and, if required by the Company, the Trustee shall furnish or cause to be furnished to the Company a destruction certificate identifying the Series A Warrants so destroyed and the number of Common Shares which could have been purchased pursuant to each destroyed Series A Warrant.

4.07 ACCOUNTING AND RECORDING

(1) The Trustee shall promptly account to the Company with respect to Series A Warrants exercised and forward to the Company (or to an account or accounts of the Company with a bank or trust company designated by the Company for that purpose) all moneys received on the purchase of Common Shares upon the exercise of Series A Warrants. All such moneys, and any securities or other instruments, from time to time received by the Trustee shall be received in trust for, and shall be segregated and kept apart by the Trustee in trust for, the Company.

(2) The Trustee shall record the particulars of the Certificates exercised which shall include the name or names and addresses of the persons who become holders of Common Shares on exercise and the subscription price thereof. Within three business days of the Time of Expiry, the Trustee shall provide such particulars in writing to the Company.

4.08 ADJUSTMENT OF SUBSCRIPTION RIGHTS PURSUANT TO SERIES A WARRANTS

(1) Subject to Section 5.01, if and whenever at any time hereafter while Series A Warrants are outstanding, the outstanding Common Shares shall be subdivided, redivided or changed into a greater or consolidated into a lesser number of shares, or the outstanding Common Shares of the Company shall be reclassified, or the Company shall pay a stock dividend upon its outstanding Common Shares, any Warrantholder who has not exercised his right prior to the record date or effective date of any such subdivision, redivision, change, consolidation, reclassification or stock dividend, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of (or in the case of a stock dividend, in addition to) the number of Common Shares then subscribed for by him but for the same aggregate consideration payable therefor, the number of shares or other securities of the Company that such holder would have been entitled to receive as a result of such subdivision, redivision, change, consolidation, reclassification or stock dividend if, on the record date or the effective date thereof, he had been the registered holder of the number of Common Shares so subscribed for.

(2) Subject to Section 5.01, if and whenever at any time hereafter while any Series A Warrants are outstanding, there is a capital reorganization of the Company not covered in subsection (1) of this section or a consolidation, amalgamation or merger of the Company with or into any other corporation or the sale of the properties and assets of the Company as or substantially as an entity to any other corporation, any Warrantholder who has not exercised his right prior to the effective date of such reorganization, consolidation, amalgamation, merger or sale, upon the exercise of such right thereafter, shall be entitled to receive and shall accept in lieu of the number of Common Shares then subscribed for by him but for the same aggregate consideration payable therefor, the number of shares or other securities or property of the Company or of the corporation resulting from such merger, amalgamation or consolidation or to which such sale may be made, as the case may be, that such holder would have been entitled to receive on such capital reorganization, consolidation, merger, amalgamation or sale if, on the record date or the effective date thereof, he had been the registered holder of the number of Common Shares so subscribed for; and in any case, if necessary, appropriate adjustment shall be made in the application of the provisions set forth in this Indenture with respect to the rights and interest thereafter of Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares or securities or property to which a Warrantholder is entitled on the exercise of his purchase rights thereafter. Any such adjustment shall be made by and set forth in a supplemental indenture entered into pursuant to Article Nine and approved by the board of directors of the Company, by the Trustee and by the Toronto Stock Exchange and shall for all purposes hereof be conclusively deemed to be an appropriate adjustment.

(3) Subject to Section 5.01, if and whenever at any time hereafter while Series A Warrants are outstanding, the Company shall issue rights, options or warrants to the holders of all or substantially all of the outstanding Common Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (the "Rights Period"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share to the holder (or at an exchange or conversion price per share at the date of issue of such securities to the holder in the case of securities exchangeable for or convertible into Common Shares) of

less than 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange for twenty consecutive trading days ending on the fifth trading day preceding such record date (the “Current Market Price”) (any of such events being called a “Subsequent Rights Offering”), then the Exercise Price shall be adjusted effective immediately after the expiry of the Subsequent Rights Offering to a price determined by multiplying the Exercise Price in effect immediately prior to the expiry of the Subsequent Rights Offering by a fraction:

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

(i) the number of Common Shares outstanding as of the record date for the Subsequent Rights Offering; and

(ii) a number determined by dividing (1) either (a) the product of the number of Common Shares issued or subscribed during the term of the Subsequent Rights Offering upon exercise of the rights, options or warrants under the Subsequent Rights Offering and the price at which such Common Shares are offered, or, as the case may be, (b) the product of the exchange or conversion price of such securities offered and the number of Common Shares for or into which the securities so offered pursuant to the Subsequent Rights Offering may be exchanged or converted, by (2) the Current Market Price of the Common Shares as of the record date for the Subsequent Rights Offering; and

(b) the denominator of which shall be the number of Common Shares outstanding after giving effect to the Subsequent Rights Offering (including the number of Common Shares actually issued or subscribed for upon exercise of the rights, options or warrants under the Subsequent Rights Offering and the number of Common Shares for or into which the securities so offered that may be exchanged or converted into Common Shares are exchangeable or convertible).

Any Warrantholder who shall have exercised his right to purchase Common Shares in accordance with Section 4.01 during the period beginning immediately after the record date for a Subsequent Rights Offering and ending on the last day of the term of the Subsequent Rights Offering therefor shall receive from the Company, no later than 60 days after the expiry of the Subsequent Rights Offering, a cash payment equal to the difference, if any, between the Exercise Price in effect immediately prior to the expiry of the Subsequent Rights Offering and the Exercise Price as adjusted for such Subsequent Rights Offering pursuant to this subsection (3) multiplied by the number of Common Shares purchased upon such exercise by such Warrantholder during such period. Such payment shall be made by cheque in Canadian dollars mailed to the address to which the Common Shares purchased upon such exercise are sent.

(4) Subject to Section 5.01, if and whenever at any time hereafter while Series A Warrants are outstanding, the Company shall issue or distribute to all or substantially all holders of the Common Shares (i) shares of the Company of any class other than Common Shares, (ii) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares (other than rights, options or warrants as provided under Section 4.08(3)), (iii) evidences of indebtedness of the Company, or (iv) any property or other assets of the Company (excluding cash dividends), and if such issuance or distribution does not constitute a Share Reorganization or a Subsequent Rights Offering (any of such non-excluded events being herein called a “Special Distribution”), then the Exercise Price shall be adjusted effective immediately after the record date at which the holders of Common Shares are

determined for purposes of the Special Distribution to a price determined by multiplying the Exercise Price in effect on the record date of the Special Distribution by a fraction:

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

(i) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date; and

(ii) the fair market value, as determined by the directors of the Company to the holders of the Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or other assets issued or distributed in the Special Distribution; and

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

(5) The adjustments provided for in this section in the subscription rights pursuant to any of the Series A Warrants, are cumulative. After any adjustment pursuant to this section, the term “Common Shares” where used in the preceding subsections of this section shall be interpreted to mean the shares of any class or classes, or other securities which, as a result of all prior adjustments pursuant to this section, the Warrantholder would have been entitled to receive upon the exercise of his Series A Warrant, and the number of Common Shares indicated in any subscription made pursuant to a Series A Warrant shall be interpreted to mean the number of shares of all classes, or other securities which, as a result of all prior adjustments pursuant to this section, a Warrantholder would have been entitled to receive upon the full exercise of a Series A Warrant entitling the holder thereof to purchase the number of Common Shares so indicated.

(6) All securities of any class which a Warrantholder is at the time in question entitled to receive on the full exercise of his Series A Warrants, whether or not as a result of adjustments made pursuant to this section, shall, for the purposes of interpretation of this Indenture, be deemed to be securities which such Warrantholder is entitled to purchase pursuant to such Series A Warrants.

(7) In the event of any question arising with respect to the adjustment provided for in this section in such subscription rights pursuant to any of the Series A Warrants, such question shall be conclusively determined by the Company's auditors who shall have access to all necessary records of the Company and such determination shall be binding upon the Company, the Trustee and all Warrantholders.

4.09 <u>PROCEEDINGS PRIOR TO ANY ACTION REQUIRING ADJUSTMENT</u>

As a condition precedent to the taking of an action which would require an adjustment in any of the subscription rights pursuant to any of the Series A Warrants, including the number and classes of shares or other securities which are to be received upon the exercise thereof, the Company shall take any corporate action which may, in the opinion of counsel, be necessary in order that the Company has unissued and reserved its authorized capital, may validly and legally issue as fully paid and non-assessable and in accordance with all applicable regulatory requirements all the shares and other securities which the holders of such Series A Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof, including but not limited to obtaining the prior written consent of the Toronto Stock Exchange to the taking of such action.

4.10 NOTICE OF ADJUSTMENT OF SUBSCRIPTION RIGHTS

Immediately after the occurrence of any event which requires an adjustment in any of the subscription rights pursuant to any of the Series A Warrants, including the number and classes of shares or other securities which are to be received upon the exercise thereof, the Company shall forthwith:

(a) file with the Trustee a certificate of the Company specifying the particulars of such event and the required adjustment and the computation of such adjustment; and

(b) give notice to the Warrantholders of the particulars of such event and required adjustment in the manner provided in Article Three.

4.11 PROTECTION OF TRUSTEE

(1) The Trustee:

(a) shall not at any time be under any duty or responsibility to any Holder to determine whether any facts exist that may require any adjustment in the applicable Exercise Price or the nature or extent of any such adjustment when made or the method employed in making the same;

(b) shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or any other shares or other securities or property which may at any time be issued or delivered upon the exercise of any Series A Warrant; and

(c) shall not be responsible for any failure of the Company to make any payment or to issue, transfer or deliver Common Shares or share certificates upon the surrender of any Series A Warrant for the purpose of exercise, or to comply with any of the covenants contained in this Article 4.

ARTICLE FIVE
EXECUTION

5.01 COUNTERPARTS AND FORMAL DATE

This Indenture may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear the date as of February 18, 2005.

ARTICLE SIX
COVENANTS OF THE COMPANY

6.01 GENERAL COVENANTS

The Company covenants with the Trustee that so long as any Series A Warrants remain outstanding:

(a) it will at all times maintain its corporate existence; will carry on and conduct its business in a proper, efficient and businesslike manner and in accordance with good business practice; will keep or cause to be kept proper books of account in accordance with generally accepted accounting practice; and will, if and whenever required in writing by any Warrantholder, forward to the Warrantholder copies of all annual financial statements of the Company furnished to its shareholders after the date hereof;

(b) it will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Series A Warrants;

(c) it will cause the Common Shares from time to time subscribed and paid for pursuant to the exercise of the Series A Warrants to be duly issued and delivered in accordance with the Series A Warrants and the terms hereof;

(d) all Common Shares which shall be issued upon exercise of the right to purchase provided for herein and in the Series A Warrants, upon payment therefor of the subscription prices herein provided for, shall be deemed to be fully paid and non-assessable and the holders thereof shall not be liable to the Company or its creditors in respect thereof; and

(e) generally, it will well and truly perform and carry out all of the acts or things to be done by it as provided in this Indenture.

6.02 TRUSTEE'S REMUNERATION AND EXPENSES

The Company covenants that it will pay to the Trustee from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements, legal fees and advances incurred or made by the Trustee in the administration or execution of the trusts hereby created both before any default hereunder and thereafter until all duties of the Trustee under the trusts hereof shall be finally and fully performed, except any such expense, disbursement or advance as may arise from its negligence or fraud.

6.03 RESTRICTIVE COVENANTS

(1) The Company covenants with the Trustee that so long as any Series A Warrants remain outstanding it will not make any repayment of capital on shares of any class of which the holders of Series A Warrants are entitled to receive upon exercise thereof until thirty (30) days after it has given notice to the Warrantholders in the manner provided in Article Three of its intention so to do and of the particulars of such issue or repayment.

(2) The Company covenants with the Trustee that it will not close its transfer books or take any other corporate action which might deprive a Warrantholder of the opportunity of exercising his right pursuant thereto during the period of thirty (30) days after the giving of the notice required by subsection (1) of this section or unduly restrict such opportunity.

6.04 PERFORMANCE OF COVENANTS BY TRUSTEE

If the Company shall fail to perform any of its covenants contained in this Indenture the Trustee may notify the Warrantholders of such failure on the part of the Company or may itself perform any of said covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Warrantholders. All sums so expended or advanced by the Trustee shall be repayable as provided in Section 6.02. No such performance or advance by the Trustee shall be deemed to relieve the Company of any default hereunder.

ARTICLE SEVEN
ENFORCEMENT

7.01 SUITS BY WARRANTHOLDERS

All or any of the rights conferred upon the holder of any Series A Warrant by the terms of such Series A Warrant and/or of this Indenture may be enforced by the holder of such Series A Warrant by appropriate legal proceedings but without prejudice to the right which is hereby conferred upon the Trustee to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the holders of the Series A Warrants from time to time outstanding.

7.02 IMMUNITY OF SHAREHOLDERS, ETC.

The Warrantholders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past shareholder, director or officer (as such) of the Company for the issue of shares pursuant to any Series A Warrant or on any covenant, agreement, representation or warranty by the Company herein or in the Series A Warrants contained; provided that nothing in this section shall prevent recourse to and the enforcement of liability of any shareholder for uncalled capital or upon unsatisfied calls.

ARTICLE EIGHT
MEETINGS OF WARRANTHOLDERS

8.01 RIGHT TO CALL MEETING

The Trustee may at any time and from time to time and shall on receipt of a written request of the Company or of a Warrantholders' Request and upon receiving sufficient funds and upon being indemnified to its reasonable satisfaction by the Company or by the Warrantholders signing such Warrantholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, call a meeting of the Warrantholders. In the event of the Trustee failing within fifteen (15) days after receipt of such written request by the Company or Warrantholders' Request and indemnity given as aforesaid to give notice calling a meeting, the Company or such Warrantholders, as the case may be, may call such meeting. Every such meeting shall be held in the City of Vancouver or at such other place as may be approved or determined by the Trustee.

8.02 NOTICE

At least thirty (30) days' notice of any meeting shall be given to the Warrantholders in the manner provided in Section 3.05 and a copy thereof shall be sent by post to the Trustee unless the meeting has been called by it and to the Company unless the meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article.

8.03 CHAIRMAN

Some person nominated in writing by the Trustee shall be chairman of the meeting and if no person is so nominated, or if the person so nominated is not present within fifteen (15) minutes from the time fixed for the holding of the meeting, the Warrantholders present in person or by proxy shall choose some person present to be chairman.

8.04 **QUORUM**

Subject to the provisions of Section 8.12, at any meeting of the Warrantholders a quorum shall consist of Warrantholders present in person or by proxy and entitled to purchase at least twenty-five per cent (25%) of the aggregate number of Common Shares which could be purchased pursuant to all the then outstanding Series A Warrants provided that at least two (2) persons entitled to vote thereat are personally present. If a quorum of the Warrantholders shall not be present within half-an-hour from the time fixed for holding any meeting, the meeting if summoned by the Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is a non-business day) thereafter at the same time and place. At the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally called notwithstanding that they may not be entitled to earn/purchase at least twenty-five per cent (25%) of the aggregate number of shares which can be earned or purchased pursuant to all the then outstanding Series A Warrants.

8.05 **POWER TO ADJOURN**

The chairman of any meeting at which a quorum of the Warrantholders is present may with the consent of the meeting adjourn any such meeting and no notice of such adjournment need by given except such notice, if any, as the meeting may prescribe.

8.06 **SHOW OF HANDS**

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on extraordinary resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

8.07 **POLL**

On every extraordinary resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Warrantholders, acting in person or by proxy and entitled to purchase in the aggregate at least five per cent (5%) of the aggregate number of Common Shares which could be purchased pursuant to all the Series A Warrants for the time being outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than extraordinary resolutions shall be decided by a majority of the votes cast on the poll.

8.08 **VOTING**

On a show of hands every person who is present and entitled to vote, whether as a Warrantholder or as a proxy for one or more absent Warrantholders or both, shall have one vote. On a poll each Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Common Share which he is entitled to purchase pursuant to the Series A Warrant then held by him. A proxy need not be a Warrantholder.

8.09 <u>REGULATIONS</u>

The Trustee or the Company with the approval of the Trustee may from time to time make and from time to time vary such regulations as it shall from time to time think fit:

(a) for the issue of voting certificates, by any bank, trust company or other depository approved by the Trustee certifying that specified Series A Warrants have been deposited with it by a named holder and will remain on deposit until after the meeting, which voting certificates shall entitle the holders named therein to be present and vote at any such meeting and at any adjournment thereof, in the same manner and with the same effect as though the holders so named in such voting certificates were the actual bearers of the Series A Warrants specified therein;

(b) for the deposit of voting certificates and/or instruments appointing proxies at such place and time as the Trustee, the Company or the Warrantholders calling the meeting, as the case may be, may in the notice calling the meeting direct;

(c) for the deposit of voting certificates and/or instruments, appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such voting certificates and/or instruments appointing proxies to be mailed, cabled or faxed before the meeting to the Company or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting; and

(d) for the form of the instrument of proxy.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as the holders of any Series A Warrants, or as entitled to vote or be present at the meeting in respect thereof, shall be persons who produce Series A Warrants at the meeting.

8.10 <u>COMPANY AND TRUSTEE MAY BE REPRESENTED</u>

The Company and the Trustee, by their respective officers and directors, and the legal advisors of the Company and the Trustee may attend any meeting of the Warrantholders, but shall have no vote as such.

8.11 <u>POWERS EXERCISABLE BY EXTRAORDINARY RESOLUTIONS</u>

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Warrantholders at a meeting shall have the following powers exercisable from time to time by extraordinary resolution:

(a) power to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warrantholders and/or the Trustee in that capacity or on behalf of the Warrantholders against the Company whether such rights arise under this Indenture or the Series A Warrants or otherwise;

(b) power to direct or authorize the Trustee to enforce any of the covenants on the part of the Company contained in this Indenture or the Series A Warrants or to enforce any of the rights of the Warrantholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;

(c) power to waive and direct the Trustee to waive any default on the part of the Company in complying with any provision of this Indenture or the Series A Warrants either unconditionally or upon any conditions specified in such extraordinary resolution;

(d) power to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Company for the enforcement of any of the covenants on the part of the Company contained in this Indenture or the Series A Warrants or to enforce any of the rights of the Warrantholders; and

(e) power to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or discontinue or otherwise deal with the same upon payment of the costs, charges and expenses reasonably and property incurred by such Warrantholder in connection therewith.

8.12 MEANING OF "EXTRAORDINARY RESOLUTION"

(1) The expression "extraordinary resolution" when used in this Indenture means, subject as hereinafter in this section and Sections 8.15 and 8.17 provided, a resolution proposed at a meeting of Warrantholders duly called for that purpose and held in accordance with the provisions of this Article contained at which there are present in person or by proxy Warrantholders entitled to purchase at least fifty-one per cent (51%) of the aggregate number of Common Shares which can be purchased pursuant to all the then outstanding Series A Warrants and passed by the affirmative votes of Warrantholders entitled to purchase not less than seventy-five per cent (75%) of the aggregate number of Common Shares which can be purchased pursuant to all the then outstanding Series A Warrants represented at the meeting and voted on the poll upon such resolution.

(2) If, at any such meeting called for the purpose of passing an extraordinary resolution, Warrantholders entitled to purchase fifty-one per cent (51%) of the aggregate number of Common Shares which can be purchased pursuant to all the then outstanding Series A Warrants are not present in person or by proxy within half-an-hour after the time appointed for the meeting, then the meeting, if called by the Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than twenty-one (21) or more than sixty (60) days later, and to such place and time as may be appointed by the chairman. Not less than ten (10) days' notice shall be given of the time and place of such adjourned meeting in the manner provided in Article Three. Such notice shall state that at the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in subsection (1) of this section shall be an extraordinary resolution within the meaning of this Indenture, notwithstanding that Warrantholders entitled to purchase fifty-one per cent (51%) of the aggregate number of Common Shares which can be purchased pursuant to all the then outstanding Series A Warrants are not present in person or by proxy at such adjourned meeting.

(3) Votes on an extraordinary resolution shall always be given on a poll and no demand for a poll on an extraordinary resolution shall be necessary.

8.13 POWERS CUMULATIVE

It is hereby declared and agreed that any one or more of the powers and/or combination of the powers of this Indenture stated to be exercisable by the Warrantholders by extraordinary resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Warrantholders to exercise such power or powers or combination of powers then or any power or powers or combination of powers thereafter from time to time.

8.14 MINUTES

Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Company, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of the Warrantholders, shall be prima facie evidence of the matters therein stated, and until the contrary is provided, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly called and held, and all resolutions passed thereat or proceedings taken, to have been duly passed and taken.

8.15 INSTRUMENTS IN WRITING

All actions which may be taken and all powers that may be exercised by Warrantholders at a meeting held as hereinbefore in this Article provided may also be taken and exercised by Warrantholders entitled to purchase seventy-five per cent (75%) of the aggregate number of Common Shares which can be purchased pursuant to all the then outstanding Series A Warrants by an instrument in writing signed in one or more counterparts by such Warrantholders in person or by attorney duly appointed in writing and the expression “extraordinary resolution” when used in this Indenture shall include an instrument so signed.

8.16 BINDING EFFECT OF RESOLUTIONS

Every resolution and every extraordinary resolution passed in accordance with the provisions of this Article at a meeting of Warrantholders shall be binding upon all the Warrantholders, whether present or absent at such meeting, and every instrument in writing signed by Warrantholders in accordance with Section 8.15 shall be binding upon all the Warrantholders, whether signatories thereto or not, and each and every Warrantholder and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, extraordinary resolution and instrument in writing.

ARTICLE NINE
SUPPLEMENTAL INDENTURES

9.01 PROVISION FOR SUPPLEMENTAL INDENTURES FOR CERTAIN PURPOSES

From time to time the Company (when authorized by a resolution of its directors and with the prior approval of the Toronto Stock Exchange) and the Trustee may, subject to the provisions of these presents, and they shall, when so directed by these presents, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Trustee based on the opinion of such counsel, prejudicial to the interest of the Warrantholders;

(b) giving effect to an extraordinary resolution passed as provided in Article Eight;

(c) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, provided that such provisions are not, in the opinion of the Trustee based on the opinion of counsel, prejudicial to the interests of the Warrantholders;

(d) adding to or altering the provisions hereof in respect of the registration and transfer of Series A Warrants; making provision for the exchange of Series A Warrants of different denominations; and making any modification in the form of the Series A Warrants which does not affect the substance thereof;

(e) modifying any of the provisions of this Indenture or relieving the Company from any of the obligations, conditions or restrictions herein contained, provided that in the opinion of the Trustee based on the opinion of counsel, the rights of the Trustee and of the Warrantholders are in no way prejudiced thereby; and

(f) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein, provided that in the opinion of the Trustee based on the opinion of counsel, the rights of the Trustee and of the Warrantholders are in no way prejudiced thereby.

ARTICLE TEN
CONCERNING THE TRUSTEE

10.01 CONDITIONS PRECEDENT TO TRUSTEE'S OBLIGATIONS TO ACT HEREUNDER

(1) The Trustee shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless it shall have been required so to do under the terms hereof; nor shall the Trustee be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Trustee and in the absence of any such notice the Trustee may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Trustee to determine whether or not the Trustee shall take action with respect to any default.

(2) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Trustee or the Warrantholders hereunder shall be conditional upon the Warrantholders furnishing sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the

Trustee against the costs, charges and expenses and liabilities to be incurred hereby and any loss and damage it may suffer by reason thereof.

(3) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless funded and indemnified as aforesaid.

(4) The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Warrantholders at whose instance it is acting to deposit with the Trustee the Series A Warrants held by them, for which Series A Warrants the Trustee shall issue receipts.

10.02 EVIDENCE

(1) Whenever it is provided in this Indenture that the Company shall deposit with the Trustee resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof of the facts and opinions stated in all documents so deposited shall, in each and every case, be conditions precedent to the right of the Company to have the Trustee take the action to be based thereon. The Trustee may rely and shall be protected in acting upon any such documents deposited with it in purported compliance with any such provision or for any other purpose hereof, but may in its discretion require further evidence before acting or relying thereon.

(2) The Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cablegram, facsimile transmission or other paper or document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the property party or parties.

10.03 EXPERTS AND ADVISORS

(1) The Trustee may employ or retain such counsel, accountants or other experts or advisors as it may reasonably require for the purpose of discharging its duties hereunder and shall not be responsible for any misconduct on the part of any of them.

(2) The Trustee may act and shall be protected in acting in good faith on the opinion or advice of or information obtained from any counsel, accountant or other expert or advisor, whether retained or employed by the Company or by the Trustee, in relation to any matter arising in the administration of the trusts hereof.

10.04 TRUSTEE NOT REQUIRED TO GIVE SECURITY

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

10.05 PROTECTION OF TRUSTEE

By way of supplement to the provisions of any law for the time being relating to trustees, it is expressly declared and agreed as follows:

(a) the Trustee shall not be liable for or by reason of any statement of fact or recital in this Indenture or in the Series A Warrants (except the countersignature of the Trustee thereon) or required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Company;

(b) the Trustee shall not be bound to give notice to any person or persons of the execution hereof;

(c) the Trustee shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Company of any of the representations, warranties or covenants herein contained or of any acts of the agents or servants of the Company; and

(d) the Trustee, in its personal or any other capacity, may buy, lend upon and deal in shares in the capital of the Company and in the Series A Warrants and generally may contract and enter into financial transactions with the Company or any related corporation without being liable to account for any profit made thereby.

10.06 <u>REPLACEMENT OF TRUSTEE</u>

The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Company three months' notice in writing or such shorter notice as the Company may accept as sufficient. The Warrantholders by extraordinary resolution shall have power at any time to remove the Trustee and to appoint a new Trustee. In the event of the Trustee resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Trustee unless a new Trustee has already been appointed by the Warrantholders; failing such appointment by the Company, the retiring Trustee or any Warrantholder may apply to a Judge of the Supreme Court of British Columbia, on such notice as such Judge may direct, for the appointment of a new Trustee; but any new Trustee so appointed by the Company or by the Court shall be subject to removal as aforesaid by the Warrantholders. Any new Trustee appointed under any provision of this section shall be a corporation authorized to carry on the business of a trust company in the Province of British Columbia. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee, without any further assurance, act or indenture; but there shall be immediately executed, at the expenses of the Company, all such indentures or other instruments as may, in the opinion of counsel, be necessary or advisable for the purpose of assuring the same to the new Trustee.

10.07 <u>ACCEPTANCE OF TRUST</u>

The Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions hereinbefore set forth unless and until discharged therefrom.

10.08 INDEMNIFICATION OF TRUSTEE

Without limiting any protection or indemnity of the Trustee under any other provisions hereof, or otherwise at law, the Company hereby agrees to indemnify and hold harmless the Trustee from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including reasonable legal or advisor fees and disbursements, of whatever kind and nature which may at any time be imposed on, incurred by or asserted against the Trustee in connection with the performance of its duties and obligations hereunder, other than such liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including reasonable legal or advisor fees and disbursements arising by reason of the negligence or fraud of the Trustee. This provision shall survive the resignation or removal of the Trustee, or the termination of this Indenture. The Trustee shall not be under any obligation to prosecute or to defend any action or suit in respect of the relationship which, in the opinion of its counsel, may involve it in expense or liability, unless the Company shall, so often as required, furnish the Trustee with reasonable indemnity and funding against such expense or liability.

10.09 THIRD PARTY INTERESTS

Each party to this Agreement hereby represents to the Trustee that any account to be opened by, or interest to held by the Trustee in connection with this Agreement, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Trustee's prescribed form as to the particulars of such third party.

10.10 NOT BOUND TO ACT

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days written notice to the Company, provided (i) that the Trustee's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Trustee's satisfaction within such 10 day period, then such resignation shall not be effective.

ARTICLE ELEVEN
FORM OF DOCUMENTS

11.01 FORM OF SERIES A WARRANT

The form of Series A Warrant shall be substantially in the form of the specimen Series A Warrant identified as Exhibit “A” to this Indenture.

ARTICLE TWELVE
NOTICE

12.01 NOTICE

Notice to be given hereunder by either party to the other shall be deemed to be validly given only if such notice is in writing and is delivered by courier or other means of personal delivery. Notices hereunder shall be addressed as follows:

to the Trustee:

Computershare Trust Company of Canada
3rd Floor
510 Burrard Street
Vancouver, British Columbia V6C 3B9
Attention: Manager, Corporate Trust

to the Company:

Pure Gold Minerals Inc.
1255 West Pender St.
Vancouver, British Columbia V6E 2V1
Attention: Corporate Secretary

IN WITNESS WHEREOF the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers authorized in that behalf.

PURE GOLD MINERALS INC.

Per: *(Signed) Gordon Keevil*

Per: *(Signed) Eugene Beukman*

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: *(Signed) Alice Kollen*

Per: *(Signed) Judith Conyette*

EXHIBIT "A"

to an Indenture made as of the 18th day of January, 2005 between Pure Gold Minerals Inc. and Computershare Trust Company of Canada

Series A Warrant

VOID AFTER 4:00 P.M. LOCAL TIME, ON •, 2006

SERIES A WARRANTS TO PURCHASE COMMON SHARES OF

PURE GOLD MINERALS INC.

(Amalgamated under the Laws of the Province of Ontario)

Number

ZQ 123456

SERIES A WARRANTS

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*****0********
******0*******
*******0******
********0*****

THIS IS TO CERTIFY THAT,
FOR VALUE RECEIVED,

SPECIMEN

CUSIP 999999 99 9

ISIN CA 9999999999

DRAFT

(the "Holder") of this Series A Warrant is entitled to purchase one fully paid and non-assessable common share of PURE GOLD MINERALS INC. (the "**Company**") for each Series A Warrant represented hereby as such shares were constituted on •, 2005, at any time up to 4:00 p.m. Local Time on •, 2006 at and for a price of $0. • per share, of lawful money of Canada, upon and subject to the terms and conditions referred to on the reverse hereof.

The Company will not accept subscriptions from any person or his agent who appears to be, or who the Company has reason to believe is, a resident of a jurisdiction where this Warrant cannot be lawfully exercised.

This Warrant may be exercised only at the offices of Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario, or Suite 200, 510 Burrard Street, Vancouver, British Columbia. This Warrant is not valid until countersigned by Computershare Trust Company of Canada

IN WITNESS WHEREOF the Company has caused this Warrant to be executed and Computershare Trust Company of Canada has caused this Warrant to be countersigned by an authorized officer.

DATED:

PURE GOLD MINERALS INC.

VOID

President

Secretary

COUNTERSIGNED
COMPUTERSHARE TRUST COMPANY OF CANADA, TRUSTEE

VOID

By ______________________
Authorized Officer

SECURITY INSTRUCTIONS ON REVERSE   VOIR LES INSTRUCTIONS DE SÉCURITÉ AU VERSO

006B5B

001318

TRANSFER FORM

The transfer of the within Series A Warrants will require compliance with applicable securities legislation. Transferors and transferees are urged to contact legal counsel before effecting any such transfer.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to
____, ________________________________ Series A Warrants of Pure Gold Minerals Inc. (the "**Company**"), registered in the name of the undersigned on the records of Computershare Trust Company of Canada (the "**Trustee**") represented by the Series A Warrant Certificate attached and irrevocably appoints ________________________ the attorney of the undersigned to transfer the said securities on the books of the register of transfer with full power of substitution.

DATED this ____________________________ day of ____________, _____

______________________________ Signature Guaranteed

______________________________ Signature of Warrantholder

Instructions:

Signature of the Warrantholder must be the signature of the person appearing on the face of this Series A Warrant Certificate.

If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Trustee and the Company.

The signature of the Warrantholder on the Transfer Form must be guaranteed by a Schedule "A" major chartered bank/trust company or a transfer of an acceptable Medallion Guarantee program. The guarantor must affix a stamp bearing the actual words: "Signature Guaranteed".

The Series A Warrants shall only be transferable in accordance with applicable laws and the applicable provisions of the Warrant Indenture dated January •, 2005.

SUBSCRIPTION FORM

(ONE SERIES A WARRANT IS REQUIRED TO SUBSCRIBE FOR EACH COMMON SHARE)

TO: PURE GOLD MINERALS INC. (the "**Company**")
c/o COMPUTERSHARE TRUST COMPANY OF CANADA (the "**Trustee**")

The undersigned, holder of the within Series A Warrant, subscribes for ____________ _____ of the common shares referred to in the said Series A Warrant according to the conditions hereof and herewith makes payment of the purchase price in full, by certified cheque, bank draft, or money order in lawful money of Canada, payable to the order of Pure Gold Minerals Inc. in the amount of CDN $ ________ representing the aggregate subscription price for the said number of shares.

The undersigned hereby directs that the shares hereby subscribed for be issued and delivered as follows:

Name(s) in full	Addresses	No. of Shares
____________________	____________________	____________________
____________________	____________________	____________________
____________________	____________________	____________________

(Please print full name and address in which share certificates are to be issued. If any of the shares are to be issued to a person or persons other than the holder, the holder must pay to the Company all requisite transfer taxes and/or fees).

DATED this ______________ day of ______________, ______.

______________________________ Signature Guaranteed

______________________________ Signature

Please print below your name and address in full. The holder must correspond with the name set forth on the face of this warrant certificate.

Name ______________________________ Address ______________________________
____

TERMS AND CONDITIONS

This Series A Warrant is issued under a Warrant Indenture dated January •, 2005. A copy of this Indenture may be obtained, in payment of charges, at the offices of Computershare Trust Company of Canada in Vancouver, at Suite 300, 510 Burrard Street, Vancouver, BC, V6C 3B9.

Instructions:

1. The registered holder may exercise its right to receive Common Shares by completing this form and surrendering this form and Certificate representing the Series A Warrants being exercised together with payment of the aggregate Exercise Price, by certified cheque or money order payable to the order of the Company, at the Trustee's principal office at Suite 200, 510 Burrard Street, Vancouver, BC, V6C 3B9, or 9th Floor, 100 University Avenue, Toronto, ON, M5J 2Y1. Certificates for Common Shares will be delivered or mailed within 5 Business Days on exercise of the Series A Warrants. The rights of the registered holder hereof cease if the Series A Warrants are not exercised prior to 4:00 p.m. Local Time on •, 2006.

2. If the Subscription Form indicates that Common Shares are to be issued to a person or persons other than the registered holder, the signature of such holder on this Subscription Form must be guaranteed by a Schedule "A" major chartered bank/trust company, or an acceptable Medallion Guarantee program. The Guarantor must affix a stamp bearing the actual words: "Signature Guaranteed".

3. If the Subscription Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any persons in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Trustee.