

QUOTA PURCHASE AGREEMENT

THIS AGREEMENT dated for reference the 21st day of August, 2007

AMONG:

ATHENA RESOURCES L.L.C., a corporation duly incorporated under the laws of the State of Delaware, United States of America, having a business address at 217 West 260 Street, Riverdale, New York, United States of America 10471

(the "Vendor")

AND:

BRAZORE HOLDINGS LTD., a corporation duly incorporated under the laws of Barbados, having a business address c/o L'Horizon, Gunsite Road, Brittons Hill, St. Michael, Barbados

(the "Purchaser")

AND:

BRAZORE RESOURCES INC., a corporation duly incorporated under the laws of Canada, having a business address at #1818 - 701 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1C6

("Brazore Canada")

WHEREAS:

A. Brazore Brazil (defined below) carries on the business of constructing and operating an iron ore export facility on lands situated west of Rio de Janeiro, Brazil near the City of Mangaratiba;

B. The Vendor is the registered and beneficial holder of 93.5% of all of the issued and outstanding Quotas in the authorized share structure or ownership structure of Brazore Brazil, which interest increases to 96.75% upon \$10,000,000 being expended on the business and operations of Brazore Brazil (the "Quotas"); and

C. The Vendor has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Vendor, the Quotas, upon the terms and conditions contained in this Agreement; and

D. Brazore Canada is the registered and the beneficial holder of 50 common shares in the authorized share structure of the Purchaser, which shares represent all of the issued and outstanding shares of the Purchaser.

NOW THEREFORE in consideration of the premises and the covenants and agreements contained in this Agreement, the parties agree as follows:

1. **Interpretation**

1.1 **Definitions.** In this Agreement:

- (a) "Agreement" means this agreement and all amendments made hereto by written agreement between the Vendor and the Purchaser;
- (b) "Assets" means all of the property and assets of Brazore Brazil as a going concern of every kind and description wherever situate;

- (c) “Brazore Brazil” means Brazore Representação, Importação, Exportação E Consultoria Ltda., a corporation duly incorporated under the laws of Brazil, having a business address c/o SHC/SW CLSW 103, Bloco A, Sala 106, Brasília, Distrito Federal;
- (d) “Business” means the business carried on or to be carried on by Brazore Brazil in Brazil of constructing and operating an iron ore export facility, including without limitation:
 - (i) acquisition of the Property pursuant to the Port Option Agreement;
 - (ii) construction and operation of an iron ore trans-shipping facility (rail to sea);
 - (iii) acquisition of iron mining operations in the State of Minas Gerais; and
 - (iv) future construction of a deep water port in the State of Rio de Janeiro;
- (e) “Business Day” means any day except Saturdays, Sundays, or statutory holidays in the Province of British Columbia, Canada and if any event, action, payment, or delivery by the parties pursuant to any of the terms of this Agreement is to occur on a Business Day, then such event, action, payment, or delivery, as the case may be, shall occur, be performed, be paid, or be delivered by the parties on or before 5:00 p.m. Pacific Standard Time on such Business Day;
- (f) “Canada Business Corporations Act” means the *Canada Business Corporations Act* of Canada as amended from time to time, and includes the regulations made pursuant thereto;
- (g) “Cash” means all cash on hand on or deposit held by or on behalf of Brazore Brazil as at the Closing Date;
- (h) “Closing Date” means August 21, 2007, or such other Business Day as may be mutually agreed upon in writing by the parties or by their respective solicitors in writing;
- (i) “Control” or “Controls” means:
 - (i) the right to exercise a majority of the votes exercisable at a general meeting of the shareholders of a corporation; and
 - (ii) the right to elect or appoint, directly or indirectly, a majority of the directors of a corporation;
- (j) “Iron Ore” means any and all fines, lump ore, and pellets of iron ore in Brazil, including without limitation, any and all amounts of iron ore to be transported and shipped through the Port Facility by Brazore Brazil to end users;
- (k) “Port Facility” means the iron ore trans-shipping facility and port terminal constructed by Brazore Brazil on the Property;
- (l) “Port Option Agreement” means the option agreement for the purchase of the Property between Brazore Brazil and the holders of the title to the Property dated August 21, 2007;
- (m) “Property” means lands (Lots 1-2) situated west of Rio de Janeiro, Brazil near the City of Mangaratiba, State of Rio de Janeiro to be purchased by Brazore Brazil in accordance

with the Port Option Agreement, including without limitation, the lands, facilities, permits, and ancillary assets;

(n) “Quotas” has the meaning set forth in Recital B; and

(o) “Subsidiary” has the meaning provided for in the Canada Business Corporations Act.

1.2 Headings. The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Extended Meanings. In this Agreement words importing the singular number only shall include the plural and vice versa, wordings importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations, and companies.

1.4 Currency. All references to currency in this Agreement are to lawful money of the United States of America.

2. Purchased Quotas and Purchase Price

2.1 Purchased Quotas. Subject to the terms and conditions of this Agreement and based on the representations and warranties of the Vendor set forth in this Agreement, on the Closing Date the Vendor shall sell, assign, and transfer to the Purchaser and the Purchaser shall purchase from the Vendor the Quotas in consideration of the allotment and issuance to the Vendor of 50 Common shares in the authorized share structure of the Purchaser, representing 25% of the outstanding shares of the Purchaser, for the issue price of \$0.01 per share (the “Purchase Price”).

2.2 Payment of Purchase Price. The Purchase Price shall be satisfied as provided in section 6.3 of this Agreement and delivered by the Purchaser to the Vendor on the Closing Date against delivery to the Purchaser of a copy of the duly endorsed Amendment to the Articles of Association of Brazore Brazil evidencing the transfer of the Quotas to the Purchaser.

2.3 Obligations of Brazore Canada. As additional consideration for, and as a condition to, the sale of the Quotas by the Vendor to the Purchaser, Brazore Canada expressly acknowledges the funding commitments made by it to the Purchaser pursuant to that certain shareholders agreement dated August 21, 2007 entered into, inter alia, among the Vendor, the Purchaser and Brazore Canada.

2.4 Disposition of the Assets of Brazore Brazil. Immediately before the time of the Closing on the Closing Date, the Vendor shall cause Brazore Brazil to dispose of all of the Assets of Brazore Brazil for nominal consideration, with the express exception of the following of the Assets, which shall be specifically excluded from this section 2.4 and shall remain the property and assets of Brazore Brazil as of, from, and after the time of the Closing on the Closing Date:

(a) the Port Option Agreement; and

(b) the Cash.

3. Representations and Warranties of the Vendor

3.1 Representations and Warranties of the Vendor. In order to induce the Purchaser to enter into and consummate this Agreement, the Vendor hereby represents and warrants to the Purchaser as follows:

- (a) Brazore Brazil Incorporation. Brazore Brazil is duly incorporated under the laws of Brazil, is a valid and existing company, and is in good standing with respect to the filing of any and all annual reports and other required filings pursuant to the laws of Brazil, as amended from time to time;
- (b) Port Option Agreement. Brazore Brazil has duly entered into the Port Option Agreement dated August 21, 2007 with all of the holders of the title to the Property for the purposes of the Business, the execution and delivery of the Port Option Agreement and the completion of the transactions contemplated thereby have been duly and validly authorized by all necessary corporate action of Brazore Brazil, and the Port Option Agreement constitutes a legal, valid, and binding obligation of Brazore Brazil enforceable against it in accordance with its terms and conditions except as may be limited by laws of general application affecting the rights of creditors;
- (c) Transfer of the Vendor's Brazilian Assets to Brazore Brazil. The Vendor has transferred and assigned all of its right, title, and interest in and to all assets in Brazil necessary for or to be used in connection with the operation of Business to Brazore Brazil, including without limitation, any and all arrangements with MRS Rail, whether contractual or otherwise, for the delivery or Iron Ore, any and all rights, entitlements, or other interests held by the Vendor in the Iron Quadrangle region of Brazil for the purchase or Iron Ore from independent miners, and Iron Ore mineral claims and rights to mineral claims held by the Vendor or to which the Vendor may be entitled;
- (d) Ownership of Brazore Brazil. The Vendor owns 93.5% of the quotas in the authorized share structure or ownership structure of Brazore Brazil as the sole legal and beneficial owner, free and clear of all liens, claims, charges, and encumbrances, which ownership shall increase to 96.75% upon \$10,000,000 having been expended on the business and operations of Brazore Brazil;
- (e) Quotas. The Quotas are validly issued and outstanding as fully paid and non-assessable quotas in the authorized share structure or ownership structure of Brazore Brazil and the Vendor is duly recorded on the Articles of Association of Brazore Brazil as the registered holder of the Quotas;
- (f) Options for Quotas. Except pursuant to the terms and conditions of this Agreement, no person, firm, or corporation has any agreement or option or any right capable at any time of becoming an agreement to:
 - (i) purchase or otherwise acquire the Quotas; or
 - (ii) require the Vendor to sell, transfer, assign, pledge, charge, mortgage, or in any other way dispose of or encumber any of the Quotas;
- (g) Right and Authority. The Vendor has due and sufficient right and authority to enter into this Agreement on the terms and conditions set forth in this Agreement and the Vendor has due and sufficient right and authority to transfer the legal and beneficial title to and ownership of the Quotas to the Purchaser, free and clear of all liens, claims, charges, and encumbrances;

- (h) No Liabilities. There are no liabilities, contingent or otherwise, of Brazore Brazil which have not been disclosed to the Purchaser except those incurred in the ordinary course of business and Brazore Brazil has not guaranteed, or agreed to guarantee, any debt, liability, or other obligation of any person, firm, or corporation. There are no liabilities of any other party capable of creating a lien, claim, charge, or encumbrance on any of the assets of Brazore Brazil, including without limitation, the Property;
- (i) Indebtedness of Brazore Brazil. Brazore Brazil is not indebted to the Vendor, or any Subsidiary, director, officer, or employee of the Vendor, or Brazore Brazil or any other entity under the Control of the Vendor;
- (j) Indebtedness to Brazore Brazil. Neither the Vendor, nor any Subsidiary, officer, director, or employee of the Vendor, or any other entity under the Control of the Vendor is now indebted or under obligation to Brazore Brazil on any account;
- (k) Minute Book. All material transactions of Brazore Brazil have been promptly and properly recorded or filed in or with its respective books and records. The minute books of Brazore Brazil contain records of all the meetings and proceedings of the quotaholders and directors of Brazore Brazil;
- (l) Financial Statements. All financial statements of Brazore Brazil provided to the Purchaser by the Vendor, including without limitation, the financial statements delivered pursuant to subsection 4.3(c) of this Agreement, are true and correct in every material respect and present fairly the assets, liabilities, and financial position of Brazore Brazil, including without limitation, all contingent liabilities and the results of its operations for the period set out in the financial statements, in accordance with generally accepted accounting principles applied on a basis consistent with that of the previous year;
- (m) Tax Returns. All tax returns and reports of Brazore Brazil required by the laws of Brazil to be filed before the date of this Agreement have been filed and are true, complete, and correct. All taxes and other government charges have been paid or accrued and there shall be no unpaid taxes or government charges in respect of the period before the date of this Agreement;
- (n) Tax Assessments. Brazore Brazil has been assessed for all applicable taxes for all years to and including the last completed fiscal year and has been assessed with respect to the applicable tax returns;
- (o) Provision for Taxes. Adequate provision has been made for taxes payable for each current period for which tax returns are not yet required to be filed, and there are no waivers or other arrangements providing for an extension of time for the filing of any tax return, or payment of any tax, government charge or deficiency, by Brazore Brazil;
- (p) No Litigation. There is no basis for and there is no action, suit, judgement, investigation, or proceeding outstanding or pending or to the knowledge of the Vendor, threatened against or affecting Brazore Brazil or the Property;
- (q) Environmental Laws. Brazore Brazil is not in breach of any law, ordinance, statute, regulation, bylaw, order, decree, covenant, restriction, plan, or permit to which it is subject or which applies to it and the uses to which the assets of Brazore Brazil have been put, including without limitation, the use of the Property, are not in breach of any law, ordinance, statute, regulation, bylaw, order, decree, covenant, restriction, plan or permit,

including those regulating the discharge of material into the environment and the storage, treatment and disposal of waste or otherwise relating to the protection of the environment and the health and safety of persons (collectively, the “Environmental Laws”). For greater certainty, the assets of Brazore Brazil, including without limitation, the Property, have not been used in a manner which does or shall give rise to any obligation of restoration or removal or any liability for the costs of restoration or removal or for the payment of damages to any third party under any of the Environmental Laws;

- (r) Insurance. Brazore Brazil maintains such insurance against loss or damage to its assets and with respect to public liability as is reasonably prudent for a company such as Brazore Brazil; and
- (s) No Default. Neither the making of this Agreement, the completion of the transactions contemplated by it, nor the performance of or compliance with its terms shall violate the articles of the Vendor, or Brazore Brazil, nor any agreement to which the Vendor, or Brazore Brazil is a party and shall not give any person or company any right to terminate or cancel any agreement or any right enjoyed by Brazore Brazil and shall not result in the creation or imposition of any lien, claim, charge, encumbrance, or restriction of any nature in favour of a third party upon or against the assets of Brazore Brazil, including without limitation, the Property or the Quotas, nor the violation of any law or regulation of any applicable governmental authority, any municipal bylaw, regulation or ordinance, or any order or decree of any court or tribunal to which Brazore Brazil is subject which could materially affect the business of Brazore Brazil or prevent the due and valid transfer of the Quotas of Brazore Brazil as provided in this Agreement.

3.2 Reliance. The Vendor hereby acknowledges and agrees that the Purchaser has entered into this Agreement relying on the representations, warranties, covenants, and agreements and other terms and conditions of this Agreement and that no information which is now known, which may become known or which could upon investigation have become known to the Purchaser or any of its present or future officers, directors, or professional advisors in any way limits or extinguishes any rights that the Purchaser may have against the Vendor, including without limitation, any right to indemnity pursuant to section of this Agreement.

3.3 Survival of Representations. The representations, warranties, covenants, and agreements of the Vendor contained in this Agreement shall survive the closing of the transactions contemplated by this Agreement and remain in full force and effect notwithstanding any waiver by the Purchaser unless such waiver was made after notice in writing by the Vendor to the Purchaser setting forth the breach.

3.4 Indemnification. The Vendor hereby covenants and agrees to indemnify and save harmless the Purchaser from and against any loss, damage, liability, cost, and expense (including without limitation any known or unknown tax liability and legal fees on a solicitor and own client basis) suffered or incurred by the Purchaser directly or indirectly, by reason of, as a result of, or arising out of any breach of representation, warranty, covenant, or agreement of the Vendor contained in this Agreement and including for any known or unknown litigation, action, suit, judgement, investigation, proceeding, or tax liability of Brazore Brazil relating to any event or action occurring at any time during the period before the date of this Agreement.

4. Vendor’s Covenants

4.1 Consents. Both before and after the Closing Date, the Vendor shall use all reasonable efforts to assist the Purchaser in obtaining from all appropriate governmental or administrative bodies and

all other persons all such approvals and consents in the form and upon the terms satisfactory to the Purchaser's solicitors as are necessary or required in order to permit the sale, transfer, and assignment of all of the right, title and interest of the Vendor in and to the Quotas to the Purchaser.

4.2 Books and Records. On or before the Closing Date, the Vendor shall deliver to the Purchaser possession of all books, records, book accounts, lists of suppliers, and customers of Brazore Brazil and all other documents, files, records and other data, financial or otherwise, relating to Brazore Brazil.

4.3 Due Diligence. On or before the Closing Date, the Vendor shall deliver to the Purchaser:

- (a) a copy of the title to the Property and any and all title registration information, survey plans, subdivision plans, and related information in respect of registration of the Property under the laws of Brazil, including without limitation, any and all municipal or other property tax and property tax assessment information;
- (b) copies of all material contracts of which Brazore Brazil is a party involving an obligation to pay in the aggregate \$5,000 or more, or of a duration of longer than one year;
- (c) copies of the most recent financial statements of Brazore Brazil and for its last completed fiscal year; and
- (d) copies of the corporate records and minute books of Brazore Brazil, including without limitation, the certificate of incorporation, memorandum, articles or association, and central securities register or quota register of Brazore Brazil.

5. Purchaser's Conditions of Closing

5.1 Purchaser's Conditions of Closing. The obligations of the Purchaser under this Agreement are subject to the following conditions precedent for the sole and exclusive benefit of the Purchaser being fulfilled in all material respects in the reasonable opinion of the Purchaser on or before the Closing Date or waived by the Purchaser on or before the Closing Date or agreed by the Vendor and the Purchaser to be indemnified for by the Vendor:

- (a) the representations and warranties of the Vendor contained in this Agreement shall be true and correct on and as of the Closing Date;
- (b) the Vendor shall have complied with all covenants and agreements in this Agreement agreed to be performed or caused to be performed by the Vendor on or before the Closing Date;
- (c) the Vendor shall have delivered all of the documents set out in section 4.3 of this Agreement to the Purchaser and all of the same shall have been reviewed and approved by the Purchaser's solicitors on or before the Closing Date;
- (d) Brazore Brazil shall have entered into the Port Option Agreement in respect of the Property and the Port Option Agreement shall have been duly executed by all of the parties;

- (e) no action or proceeding against the Vendor, or Brazore Brazil shall be pending or threatened by any person, company, firm, governmental authority, regulatory body, or agency to enjoin or prohibit:
 - (i) the purchase and sale of the Quotas contemplated by this Agreement or the right of the Purchaser to own the Quotas;
 - (ii) the right of Brazore Brazil to conduct its operations and carry on its business in the ordinary course as its business has been carried on in the past; or
 - (iii) the interest of Brazore Brazil in the ownership of or registration to the Property;
- (f) the Property shall not be the subject of any action or proceeding against the Vendor, Brazore Brazil, or the Property under the Environmental Laws, nor shall the Property be in contravention of any of the Environmental Laws; and
- (g) all necessary steps and proceedings shall have been taken to permit the Quotas to be duly and regularly transferred to and registered in the name of the Purchaser.

5.2 Rescission. If any of the conditions precedent in section 5.1 of this Agreement are not fulfilled or waived or indemnified for, the Purchaser on the Closing Date may rescind this Agreement by notice in writing to the Vendor. In such event, the Purchaser shall be released from all obligations under this Agreement, and the Vendor shall also be released unless the Vendor was reasonably capable of causing such condition precedent or conditions precedent to be fulfilled or the Vendor has breached any of its representations, warranties, covenants, or agreements in this Agreement.

5.3 Waiver or Fulfilment. The conditions in section 5.1 of this Agreement may be waived in whole or in part by the Purchaser without prejudice to any right of rescission or any other right in the event of the non-fulfilment of any other condition or conditions. A waiver shall only be binding if it is in writing.

6. Closing Arrangements

6.1 Closing Location. The closing of the purchase and sale and the other transactions contemplated by this Agreement (the "Closing") shall take place at 11:00 a.m. on the Closing Date, or such earlier or later Business Day as the parties may agree in writing, at the office of the Purchaser's solicitors or at such other office as the parties may agree upon.

6.2 Vendor's Closing Documents. At the Closing, the Vendor shall tender to the Purchaser:

- (a) resignations in writing from all of the directors and officers of Brazore Brazil;
- (b) written evidence that the Quotas have been duly endorsed for transfer and a duly executed copy of the Amendment to the Articles of Association of Brazore Brazil representing and recording the registration of the Quotas in the name of the Purchaser; and
- (c) all corporate records and books of account of the Company including minute books, share registers, and annual reports, and a certificate of good standing of Brazore Brazil.

6.3 Purchaser's Closing Documents. At the Closing, the Purchaser shall tender to the Vendor a copy of resolutions of the directors of the Purchaser authorizing and approving the allotment and

issuance to the Vendor of 50 Common shares in the authorized share structure of the Purchaser for the issue price of \$0.01 per share in consideration of the Purchase Price.

7. **General**

7.1 **Legal and Other Expenses.** The parties shall pay their own respective legal, accounting, and other professional fees and expenses incurred by each of them in connection with the negotiation and settlement of this Agreement, the completion of the transactions contemplated by this Agreement and other matters pertaining hereto.

7.2 **Notices.** Any notice, notice, direction, or payment which may be delivered under this Agreement shall be in writing and delivered or telecopied by facsimile addressed to the parties as follows:

to the Vendor:

Athena Resources L.L.C.
217 West 260 Street,
Riverdale, New York,
United States of America 10471
Attention: Alexander Kollontai, Chief Executive Officer
Facsimile No.: 718-543-4217

to the Purchaser:

Brazore Holdings Ltd.
c/o L'Horizon, Gunsite Road, Brittons Hill,
St. Michael, Barbados
Attention: Michael Beley, Chairman
Facsimile No.: 604-629-0923

to Brazore Canada:

Brazore Resources Inc.
#1818 - 701 West Georgia Street
Vancouver, BC
Canada V7Y 1C6
Attention: Richard Barclay, Chief Financial Officer
Facsimile No.: 604-629-0923

or at such other addresses as the parties may specify in writing to the other. The time of delivery shall be deemed to have been received, if delivered, on the date of delivery if it is a Business Day and otherwise on the next ensuing Business Day and any notice given by telecopy or facsimile shall be deemed to have been received when the appropriate confirmation of receipt of transmission is received during a Business Day, failing which notice shall be deemed to be received the next ensuing Business Day.

7.3 **Further Assurances.** Each of the parties shall execute and deliver such further documents and instruments and do such acts and things as may, before or after the Closing Date, be reasonably required by another party to carry out the intent and meaning of this Agreement and to assure to the Purchaser the purchase of the Quotas.

7.4 **Proper Law.** This Agreement shall be governed by and construed in accordance with the laws of the Barbados.

- 7.5 Entire Agreement. This Agreement contains the whole agreement between the Vendor and Purchaser pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions between the parties and there are no representations, warranties, covenants, conditions, or other terms other than expressly contained in this Agreement.
- 7.6 Assignment. The parties agree that this Agreement may not be assigned by any party without the prior written consent of all of the other parties, which consent may be arbitrarily withheld.
- 7.7 Benefit and Binding Nature of the Agreement. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and permitted assigns.
- 7.8 Amendments and Waiver. No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by both of the parties and no waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same, and unless otherwise provided, shall be limited to the specific breach waived.
- 7.9 Time of Essence. Time is of the essence of this Agreement.
- 7.10 Counterparts. This Agreement may be signed in counterparts or by facsimile, and each such counterpart or facsimile copy shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above

ATHENA RESOURCES L.L.C.

Per: “Signed”
Authorized Signatory

BRAZORE HOLDINGS LTD.

Per: “Signed”
Authorized Signatory

BRAZORE RESOURCES INC.

Per: “Signed”
Authorized Signatory