FIRST SUPPLEMENTAL TRUST INDENTURE

MADE AS OF JUNE 10, 2005

BETWEEN

FRONTERA COPPER CORPORATION

AND

CIBC MELLON TRUST COMPANY

supplementing the Trust Indenture
made as of June 10, 2005

and

providing for the issue of up to

Cdn.$69,000,000 aggregate principal amount of 10% Senior Unsecured Notes
due June 15, 2010 (Series 1)

TABLE OF CONTENTS

FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE is made as of June 10, 2005.

BETWEEN:

FRONTERA COPPER CORPORATION
a corporation incorporated under the federal laws of Canada

(hereinafter referred to as the "Corporation")

- and -

CIBC MELLON TRUST COMPANY
a trust company existing under the laws of Canada

(hereinafter referred to as the "Trustee")

WHEREAS the Corporation has entered into a Trust Indenture with the Trustee dated as of June 10, 2005 which provides for the issuance of one or more series of Notes by way of Supplemental Indenture;

AND WHEREAS this First Supplemental Trust Indenture is entered into for the purpose of providing for the issue of up to Cdn.$69,000,000 aggregate principal amount of Series 1 Notes pursuant to the Trust Indenture and establishing the terms, provisions and conditions of the Series 1 Notes;

NOW THEREFORE THIS FIRST SUPPLEMENTAL TRUST INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows.

SECTION 1 – INTERPRETATION

1.1 <u>To Be Read With Trust Indenture</u>

This First Supplemental Trust Indenture is a Supplemental Indenture as that term is used in the Trust Indenture. The Trust Indenture and this First Supplemental Trust Indenture shall be read together and shall have effect as though all the provisions of both indentures were contained in one instrument.

1.2 <u>Headings etc.;</u>

The division of this First Supplemental Trust Indenture into Sections and clauses, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof. Unless the context otherwise requires, the expressions “Section”, “clause” and “Schedule” followed by a number, letter or combination of numbers and letters refer to the specified Section or clause of or Schedule to this First Supplemental Trust Indenture.

1.3 Definitions

All terms which are defined in the Trust Indenture and used but not defined in this First Supplemental Trust Indenture shall have the meanings ascribed to them in the Trust Indenture, as such meanings may be amended or supplemented with respect to Series 1 Notes by this First Supplemental Trust Indenture. In the event of any inconsistency between the meaning given to a term in the Trust Indenture and the meaning given to the same term in this First Supplemental Trust Indenture, the meaning given to the term in this First Supplemental Trust Indenture shall prevail to the extent of the inconsistency. Subject to the foregoing, in this First Supplemental Trust Indenture and in the Series 1 Notes, the following terms have the following meanings:

(a) “**Acquiror**” means a beneficial owner, an offeror or continuing or surviving corporation referred to in the definition of Corporation Change of Control in the Trust Indenture;

(b) “**Acquiror’s Debt Rating**” means the debt rating of an Acquiror, as determined based on debt ratings by recognized debt rating agencies or, if no such ratings exist, as determined by an independent investment bank retained by the Board;

(c) “**Additional Amounts**” has the meaning ascribed to such term in Section 6.1;

(d) “**Additional Assets**” means: (i) any property or assets (other than Indebtedness and Capital Stock) to be used by the Corporation or a Subsidiary in a Permitted Business; (ii) the securities of a Person that becomes a Subsidiary as a result of the acquisition of such Capital Stock by the Corporation or another Subsidiary; or (iii) securities constituting a minority interest in any Person that at such time is a Subsidiary; provided, however, that any such Subsidiary described in clauses (ii) or (iii) above is primarily engaged in a Permitted Business;

(e) “**Change of Control Purchase Date**” means the date specified in a Purchase Notice as the date on which the purchase of Series 1 Notes will be completed, which date shall not be later than 35 Business Days after the Change of Control;

(f) “**Corporation Change of Control Notice**” has the meaning ascribed to such term in Section 4.2(a);

(g) “**Corporation Change of Control Purchase Notice**” has the meaning ascribed to such term in Section 4.3;

(h) “**Corporation Change of Control Purchase Price**” has the meaning ascribed to such term in Section 4.1;

(i) “**Corporation’s Debt Rating**” means the debt rating of the Corporation, as determined based on debt ratings by recognized debt rating agencies or, if no such ratings exist, as determined by an independent investment bank retained by the Board;

(j) “**Escrow Agent**” means CIBC Mellon Trust Company;

(k) “**Escrow Agreement**” means the agreement between the Corporation and the Escrow Agent dated as of June 10, 2005;

(l) “**Lien**” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof);

(m) “**Net Available Cash**” from a Project Change of Control means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of indebtedness or other obligations relating to the properties or assets that are the subject of such Project Change of Control or received in any other non-cash form) therefrom, in each case net of:

(i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under Canadian generally accepted accounting principles, as a consequence of such Project Change of Control,

(ii) all payments made on any Indebtedness which is secured by any assets subject to such Project Change of Control, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Project Change of Control, or by applicable law be repaid out of the proceeds from such Project Change of Control,

(iii) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Project Change of Control, and

(iv) appropriate amounts to be provided by the seller as a reserve, in accordance with Canadian generally accepted accounting principles, against any liabilities associated with the property or other assets disposed of in such Project Change of Control and retained by the Corporation or any Subsidiary after such Project Change of Control.

(n) “**Net Available Cash for Note Purchase**” has the meaning ascribed to such term in Section 4.4(c);

(o) “**Over–Allotment Option**” means the option of the Underwriters to purchase up to Cdn.$9,000,000 aggregate principal amount of Series 1 Notes set out in the Underwriting Agreement;

(p) “**Permitted Business**” means the business of mineral exploration, development and mining;

(q) “**Project Change of Control Notice**” has the meaning ascribed to such term in Section 4.6(a);

(r) “**Project Change of Control Offer**” has the meaning ascribed to such term in Section 4.4(b)(iii);

(s) “**Project Change of Control Purchase Price**” has the meaning ascribed to such term in Section 4.5(a);

(t) “**Project Pool**” means the net proceeds of the Series 1 Notes deposited with and held by the Escrow Agent pursuant to the Escrow Agreement, less an amount equal to the aggregate amount of the interest payable on the December 15, 2005, June 15, 2006 and December 15, 2006 Series 1 Notes Interest Payment Dates;

(u) “***Pro Rata* Purchase Notice**” has the meaning ascribed to such term in Section 4.6;

(v) “**Purchase Notice**” means a Corporation Change of Control Purchase Notice or a *Pro Rata* Purchase Notice;

(w) “**Purchase Price**” means the Corporation Change of Control Purchase Price or the Project Change of Control Purchase price;

(x) “**Series 1 Notes**” means the 10% Senior Unsecured Notes due on the Maturity Date (Series 1) referred to in Section 2.1, in an initial issued aggregate principal amount of Cdn.$60,000,000, subject to an increase to up to Cdn.$69,000,000 aggregate principal amount if the Over-Allotment Option is exercised;

(y) “**Series 1 Notes Debt Account**” means the deposit account established in respect of the Series 1 Notes pursuant to Section 8.2 of the Trust Indenture that is designated in writing by the Corporation to the Trustee as the “**Series 1 Notes Debt Account**”;

(z) “**Series 1 Notes Interest Payment Date**” means June 15 and December 15 in each year that the Series 1 Notes are outstanding. Notwithstanding the foregoing, the first Series 1 Notes Interest Payment Date shall be December 15, 2005;

(aa) “**Series 1 Notes Interest Period**” means the period commencing on and including the later of the date of issue of the Series 1 Notes and the immediately preceding Series 1 Notes Interest Payment Date and ending on and including the day immediately preceding the next Series 1 Notes Interest Payment Date to occur in respect of which interest is payable. The first Series 1 Notes Interest Period shall be June 10, 2005 to December 14, 2005, inclusive;

(bb) "**Trust Indenture**" means the trust indenture dated as of June 10, 2005 between the Corporation and the Trustee, as amended, supplemented or restated from time to time;

(cc) "**Underwriters**" means RBC Dominion Securities Inc., Haywood Securities Inc., Orion Securities Inc., BMO Nesbitt Burns Inc. and National Bank Financial Inc.;

(dd) "**Underwriting Agreement**" means an underwriting agreement dated as of June 1, 2005 between the Corporation and the Underwriters; and

(ee) "**Voting Shares**" means shares in the capital of a corporation having voting power under ordinary circumstances to vote in the election of directors of the corporation.

SECTION 2 - SERIES 1 NOTES

2.1 Creation and Designation

The Corporation is authorized in accordance with the Trust Indenture to issue under this First Supplemental Trust Indenture, and hereby creates and issues, a series of notes designated as "10% Senior Unsecured Notes due June 15, 2010 (Series 1)", having the terms set out in this First Supplemental Trust Indenture.

2.2 Limitation on Issue

The aggregate principal amount of Series 1 Notes which may be issued under this First Supplemental Trust Indenture including any supplement hereto is limited to Cdn.$60,000,000, which may be increased to up to Cdn.$69,000,000 if the Over-Allotment Option is exercised.

2.3 Date of Issue and Maturity

The Series 1 Notes shall be dated June 10, 2005 (being their date of issue) and will become due and payable, together with all accrued interest and unpaid interest thereon, on June 15, 2010 (being their applicable Stated Maturity).

2.4 Interest

(a) The Series 1 Notes shall be issued in Cdn.$1,000 principal amount denominations or integral multiples thereof and shall bear interest on the unpaid principal amount thereof at a rate of 10% per annum from and including their date of issue, payable semi-annually in arrears, in equal instalments (except in respect of the first Series 1 Notes Interest Payment Date), on each Series 1 Notes Interest Payment Date. Interest for the Series 1 Notes Interest Period from and including the date of issue of the Series 1 Notes to but excluding December 15, 2005 will be due and payable on the first Series 1 Notes Interest Payment Date of December 15, 2005.

(b) Interest shall be payable in respect of each Series 1 Notes Interest Period (after as well as before maturity, default and judgment, with interest on overdue interest at the same rate) on each Series 1 Notes Interest Payment Date in accordance with Section 2.8 of the Trust Indenture.

2.5 Interest Payments

The Corporation shall make payments of interest on the Series 1 Notes in accordance with the provisions of Section 2.8 of the Trust Indenture.

2.6 Payment of Amounts Due on Maturity

In accordance with Section 8.2 of the Trust Indenture, the Corporation shall deposit to the Series 1 Notes Debt Account all amounts required to be paid to the order of Holders of Series 1 Notes on maturity, prior to 9:00 a.m., Toronto, Ontario time, on the Stated Maturity of the Series 1 Notes. The deposit of such funds will satisfy and discharge the liability of the Corporation for principal of, and any accrued and unpaid interest on, the Series 1 Notes to the extent of the sum represented thereby (plus the amount of any taxes deducted or withheld).

2.7 Form of Series 1 Notes

(a) Except as set out in Section 2.7(b) below, the Series 1 Notes and the registration panel and the certificate of the Trustee endorsed thereon shall be issuable initially as one Global Note, to be held by, or on behalf of, CDS as depository for its participants and registered in the name of CDS or its nominee. The initial Global Note may be cancelled and replaced by a Global Note in the aggregate principal amount of up to Cdn$.69,000,000 depending on the extent, if any, to which the Underwriters exercise the Over-Allotment Option. The Global Note shall be substantially in the form set out in Schedule 1 hereto with such appropriate additions, deletions, substitutions and variations as the Directors shall by resolution determine prior to the time of issue thereof and as the Trustee may approve and with such distinguishing letters and numbers as the Trustee may approve, with such approval in each case to be conclusively evidenced by the Trustee's certification of such Global Note.

(b) The Trustee understands and acknowledges that the Series 1 Notes have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "U.S. Securities Act"). Each Series 1 Note originally issued in the United States or to a U.S. Person (as defined in Regulation S under the U.S. Securities Act) will be represented by a definitive certificate in the form set out in Schedule 2 hereto which definitive certificate, and each Series 1 Note certificate issued in exchange therefor or in substitution thereof, shall bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER OF THIS CERTIFICATE, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF FRONTERA COPPER CORPORATION (THE "CORPORATION")

THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A)(I) TO THE CORPORATION, (2) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT; OR (3) INSIDE THE UNITED STATES IN ACCORDANCE WITH (a) RULE 144A UNDER THE U.S. SECURITIES ACT OR (b) RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, AS CONFIRMED BY AN OPINION OF THE HOLDER’S COUNSEL REASONABLY ACCEPTABLE TO THE CORPORATION, OR (c) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AS CONFIRMED BY AN OPINION OF THE HOLDER’S COUNSEL REASONABLY ACCEPTABLE TO THE CORPORATION, TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT; AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. A NEW CERTIFICATE BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE “GOOD DELIVERY”, MAY BE OBTAINED FROM THE REGISTRAR OF THE CORPORATION UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO CIBC MELLON TRUST COMPANY AND THE CORPORATION, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT”;

If any Series 1 Notes are being sold or transferred outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act, the legend may be removed by providing a declaration to the Trustee to the following effect (or as the Corporation may prescribe from time to time):

“The undersigned (A) acknowledges that the sale of the securities to which this declaration relates is being made in reliance upon Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and (B) certifies that (1) it is not an “affiliate” (as defined in Rule 405 under the U.S. Securities Act) of Frontera Copper Corporation, (2) the offer of such securities was not made to a person in the United States and at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, (3) neither the seller, nor any affiliate of the seller, nor any person acting on its or their behalf engaged in any directed selling efforts in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meaning given to them by Regulation S under the U.S. Securities Act.”

If any Series 1 Notes are being sold or transferred pursuant to Rule 144 of the U.S. Securities Act, the legend may be removed by delivery to the Trustee of a written opinion of Counsel to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

Prior to the issuance of Series 1 Notes, the Corporation shall notify the Trustee, in writing, concerning which Series 1 Notes are to be certificated and are to bear the legend described above. The Trustee will thereafter maintain a list of all registered holders from time to time of legended Series 1 Notes.

2.8 Signatures on Series 1 Notes

The Series 1 Notes shall be signed in accordance with the provisions of Section 2.6 of the Trust Indenture.

2.9 Certification

(a) No Series 1 Note issued shall be obligatory or shall entitle the Holder of such Series 1 Note to the benefits of this First Supplemental Trust Indenture until it has been certified by manual signature by or on behalf of the Trustee by execution of the certificate of the Trustee appended thereto substantially in the form set out in Schedules 1 and 2 hereto, or in some other form approved by the Trustee, whose approval shall be conclusively evidenced by the Trustee's execution of the certificate. Such certificate on any Series 1 Note shall be conclusive evidence that such Series 1 Note is duly issued and is a valid and binding obligation of the Corporation and that the Holder of such Series 1 Note is entitled to the benefits of the Trust Indenture, as supplemented by this First Supplemental Trust Indenture, and such Series 1 Note.

(b) The certificate of the Trustee on any Series 1 Note shall not be construed as a representation or warranty by the Trustee as to the validity of this First Supplemental Trust Indenture or of the Series 1 Notes (except the due certification thereof and any other warranties implied by law) and the Trustee shall in no respect be liable or answerable for the use made of the Series 1 Notes or any of them or the proceeds thereof.

2.10 Location of Register

With respect to the Series 1 Notes, initially the Register referred to in Section 3.1 of the Trust Indenture shall be kept by the Trustee at the Corporate Trust Office and may thereafter be kept by the Trustee in such other place as the Corporation, with the approval of the Trustee, may designate.

2.11 Trustee, etc.

The Trustee will be the Paying Agent and the Registrar for the Series 1 Notes.

SECTION 3 – REDEMPTION

3.1 **Redemption**

The Corporation:

(a) may redeem the Series 1 Notes, in whole or in part, at any time after June 15, 2009, for cash in Canadian dollars at a Redemption Price equal to 101% of the principal amount of the Series 1 Notes plus accrued and unpaid interest thereon, if any;

(b) may at any time and from time to time redeem the Series 1 Notes, in whole but not in part, for cash in Canadian dollars at a Redemption Price equal to the principal amount of the Series 1 Notes plus accrued and unpaid interest thereon, if any if the Corporation has become or would become obligated to pay, on the next date on which any amount would be payable under or with respect to the Series 1 Notes, any Additional Amounts as a result of any change in, or amendment to, the laws (or any regulations promulgated thereunder) of Canada (or any political subdivision or taxing authority thereof or therein), or any change in, or amendment to, any official position regarding the application or interpretation of such laws or regulations, which change or amendment is announced or becomes effective after the date of issue of the Series 1 Notes; and

(c) may redeem the Series 1 Notes, in whole but not in part, for cash in Canadian dollars at a Redemption Price equal to the principal amount of the Series 1 Notes plus accrued and unpaid interest thereon, if any if a Corporation Change of Control occurs at any time after June 15, 2009.

3.2 **No Sinking Fund**

The Series 1 Notes will not be subject to repurchase pursuant to any sinking fund provisions.

3.3 **Payment on Redemption**

Payment on redemption pursuant to Section 3.1 shall, in each case, be together with accrued and unpaid interest to (but excluding) the Redemption Date and, in each case, otherwise in accordance with Section 5 of the Trust Indenture.

SECTION 4 – CHANGE OF CONTROL PURCHASES

4.1 **Corporation Change of Control Purchase**

If (a) a Corporation Change of Control occurs, and (b) the Acquiror’s Debt Rating, either before or after the Corporation Change of Control, is less than the Corporation’s Debt Rating, the Corporation shall, at the request of a Holder, purchase all or a portion of the Holder’s Series 1 Notes for cash in Canadian dollars at a price equal to the principal amount of the Series 1 Notes, together with accrued and unpaid interest thereon to but excluding the Change of Control Purchase Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date (the "**Corporation Change of Control Purchase Price**") in accordance with the procedures set out in this Section 4.

4.2 Corporation Change of Control Notice

Within 15 Business Days after the occurrence of a Corporation Change of Control:

(a) the Corporation shall mail a written notice of Corporation Change of Control (the "**Corporation Change of Control Notice**") by registered mail to the Trustee, and within 5 Business Days of receipt of the Corporation Change of Control Notice the Trustee shall mail a copy of the Corporation Change of Control Notice to each Holder;

(b) the Corporation shall cause a copy of the Corporation Change of Control Notice to be published in the national edition of The Globe and Mail or other daily newspaper of national circulation in Canada.

The Trustee shall be under no obligation to ascertain the occurrence of a Corporation Change of Control or to give notice with respect thereto other than as provided above upon receipt of the Corporation Change of Control Notice. The Trustee may conclusively assume, in the absence of written notice to the contrary from the Corporation, that no Corporation Change of Control has occurred.

The Corporation Change of Control Notice shall state, among other things:

(c) the date of the Corporation Change of Control and, briefly, the events causing the Corporation Change of Control;

(d) whether the Corporation is entitled to and intends to redeem the Series 1 Notes, in which event the Corporation Change of Control Notice shall be accompanied by a notice in compliance with Section 5.3 of the Trust Indenture of its intention to redeem the Series 1 Notes; and

(e) whether the Acquiror's Debt Rating, either before or after the Corporation Change of Control, is less than the Corporation's Debt Rating, (and confirmation that this statement is based on debt ratings from recognized rating agencies or the determination of an investment bank retained by the Board for such purpose).

4.3 Corporation Change of Control Purchase Notice

If upon the occurrence of a Corporation Change of Control the Corporation is not entitled or does not intend to redeem the Series 1 Notes and the Acquiror's Debt Rating, either before or after the Corporation Change of Control, is less than the Corporation's Debt Rating, the Corporation Change of Control Notice shall be accompanied by a written notice (the "Corporation Change of Control Purchase Notice") offering to purchase all of the Holder's Series 1 Notes at any time prior to the close of business on the Change of Control Purchase Date at the Corporation Change of Control Purchase Price, which Corporation Change of Control Purchase Notice shall state, among other things:

(a) the date by which the Corporation Change of Control Purchase Notice must be completed and returned by the Holder if such offer is acceptable to the Holder;

(b) the Corporation Change of Control Purchase Date;

(c) the Corporation Change of Control Purchase Price;

(d) the name and address of the Trustee;

(e) that the Series 1 Notes must be surrendered to the Trustee at the office of the Trustee to collect payment;

(f) that the Corporation Change of Control Purchase Price for the Series 1 Notes as to which a Corporation Change of Control Purchase Notice has been duly given and not withdrawn, will be paid promptly following the later of the Change of Control Purchase Date and the time of surrender of the Series 1 Notes as described in paragraph (e);

(g) the procedures that the Holder must follow to exercise rights under Section 4.7 and a brief description of those rights;

(h) that any Holder delivering to the Trustee a signed Corporation Change of Control Purchase Notice shall have the right to withdraw that Corporation Change of Control Purchase Notice at any time prior to the close of business on the Change of Control Purchase Date by delivery of a written notice of withdrawal to the Trustee in accordance with Section 4.9;

(i) that interest on those Series 1 Notes in respect of which a Corporation Change of Control Purchase Notice has been given and not withdrawn shall cease to accrue from and after the Change of Control Purchase Date; and

(j) that the Series 1 Notes shall be purchased on the Change of Control Purchase Date pursuant to the applicable provisions of the Trust Indenture and this First Supplemental Trust Indenture.

4.4 Project Change of Control Purchase

The Corporation will not, and will not permit any Subsidiary to, complete any Project Change of Control unless:

(a) the Project Change of Control is effected pursuant to an arm's length, free market transaction, pursuant to which at least 75% of the consideration received by the Corporation or such Subsidiary is in the form of (i) cash or readily marketable cash equivalents or commitments to pay cash, (ii) the assumption of Indebtedness of the Corporation or any Subsidiary (other than Indebtedness which is subordinated to the Notes) and the release of the Corporation or such Subsidiary from liability on such Indebtedness; and/or (iii) securities received by the Corporation or any Subsidiary from the transferee that are capable of being promptly converted by the Corporation or such Subsidiary into cash;

(b) an amount equal to 100% of the Net Available Cash from such Project Change of Control is applied by the Corporation (or such Subsidiary, as the case may be):

(i) *first*, to the extent the Corporation elects (or is required by the terms of any CDM Secured Indebtedness or Project Secured Indebtedness), to prepay, repay, purchase, repurchase, redeem, retire, defease or otherwise acquire for value amounts payable under or in respect of the CDM Secured Indebtedness or Project Secured Indebtedness within 180 days after the later of the date of such Project Change of Control or the receipt of such Net Available Cash;

(ii) *second*, to the extent of the balance of Net Available Cash after application in accordance with clause (1), to the extent the Corporation or such Subsidiary elects, to reinvest in Additional Assets (including by means of an investment in Additional Assets by a Subsidiary with Net Available Cash received by the Corporation or another Subsidiary) within 180 days from the later of such Project Change of Control or the receipt of such Net Available Cash;

(iii) *third*, to the extent that the balance of such Net Available Cash after application in accordance with clauses (i) and (ii) exceeds Cdn.$15 million (the "**Net Available Cash For Note Purchase**"), to make an offer to purchase such whole number of Notes as may be purchased at the principal amount thereof plus accrued and unpaid interest thereon (including additional interest, if any) to but excluding the Change of Control Purchase Date, such that the aggregate purchase price does not exceed the Net Available Cash for Note Purchase, pursuant to and subject to the conditions set forth in sections 4.5 and 4.6 hereof (a "**Project Change of Control Offer")**; provided, however, that if the Corporation elects (or is required by the terms of the CDM Secured Indebtedness or Project Secured Indebtedness), such Project Change of Control Offer may be made ratably to purchase the Notes and to reduce the outstanding principal amount of CDM Secured or Indebtedness Project Secured Indebtedness, and

(iv) *fourth*, to the extent of the balance of such Net Available Cash after application in accordance with clauses (i), (ii) and (iii), for any general corporate purpose permitted by the terms of the Indenture;

provided, however that in connection with any prepayment, repayment, purchase, repurchase, redemption, retirement, defeasance or other acquisition for value of Indebtedness pursuant to clause (i), (iii) or (iv) above, the Corporation or such Subsidiary will retire such Indebtedness and will cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchased, repurchased, redeemed, retired, defeased or otherwise acquired for value.

4.5 Event of Project Change of Control

In the event of a Project Change of Control that requires a Project Change of Control Offer to be made, the Corporation will be required:

(a) to purchase Notes tendered pursuant to a Project Change of Control Offer at a purchase price equal to 100% of their principal amount plus accrued and unpaid interest (including additional interest, if any) to but excluding the Change of Control Purchase Date subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date (the "**Project Change of Control Purchase Price**") in accordance with the procedures (including prorating in the event of oversubscription) set forth in Section 4.6; and

(b) to purchase the CDM Secured Indebtedness or Project Secured Indebtedness on the terms and to the extent contemplated thereby provided that in no event shall the Corporation offer to purchase the CDM Secured Indebtedness or Project Secured Indebtedness at a purchase price in excess of 100% of its principal amount (without premium), plus accrued and unpaid interest thereon.

If the aggregate purchase price of Notes (and other CDM Secured or Project Secured Indebtedness) tendered pursuant to the Project Change of Control Offer is less than the Net Available Cash For Note Purchase, the Corporation will apply the remaining Net Available Cash in accordance with Section 4.4(b)(iv) above. The Corporation will not be required to make a Project Change of Control Offer pursuant to this covenant if the Net Available Cash for Note Purchase is less than Cdn$15 million.

4.6 Procedure for Project Change of Control Offer

Within 15 Business Days after the occurrence of a Project Change of Control that requires the making of a Project Change of Control Offer:

(a) the Corporation shall mail a written notice of Project Change of Control (the "**Project Change of Control Notice**") by registered mail to the Trustee, and within 5 Business Days of receipt of the Project Change of Control Notice the Trustee shall mail a copy of the Project Change of Control Notice to each Holder; and

(b) the Corporation shall cause a copy of the Project Change of Control Notice to be published in the national edition of The Globe and Mail or other daily newspaper of national circulation in Canada.

The Trustee shall be under no obligation to ascertain the occurrence of a Project Change of Control or to give notice with respect thereto other than as provided above upon receipt of the Project Change of Control Notice. The Trustee may conclusively assume, in the absence of written notice to the contrary from the Corporation, that no Project Change of Control has occurred or that, if a Project Change of Control has occurred, that such Project Change of Control does not require the making of a Project Change of Control Offer.

The Project Change of Control Notice shall state, among other things:

(c) the date of the Project Change of Control and, briefly, the events causing the Project Change of Control;

(d) the amount of the Net Available Cash for Note Purchase.

The Project Change of Control Notice shall be accompanied by a written notice (a "***Pro Rata* Purchase Notice**") offering to purchase, in the aggregate, such number of Notes as is determined by dividing the Net Available Cash for Note Purchase by Cdn$1,000 (rounded down to the nearest whole number) at the Project Change of Control Purchase Price at any time prior to the close of business on the Project Change of Control Purchase Date, which *Pro Rata* Purchase Notice shall state, among other things,

(e) the date by which the *Pro Rata* Purchase Notice must be completed and returned by the Holder if the Project Change of Control Offer is acceptable to the Holder;

(f) the Project Change of Control Purchase Date;

(g) the Project Change of Control Purchase Price;

(h) the name and address of the Trustee;

(i) that the Series 1 Notes must be surrendered to the Trustee at the office of the Trustee to collect payment;

(j) that the Project Change of Control Purchase Price for the Series 1 Notes as to which a *Pro Rata* Purchase Notice has been duly given and not withdrawn will be paid promptly following the later of the Project Change of Control Purchase Date and the time of surrender of the Series 1 Notes as described in paragraph (j);

(k) the procedures that the Holder must follow to accept the Project Change of Control Offer, including a description of the procedure to be followed for *pro rating* the number of Series 1 Notes to be purchased if the aggregate purchase price therefor would otherwise exceed the Net Available Cash for Note Purchase;

(l) that any Holder delivering to the Trustee a signed Purchase Notice shall have the right to withdraw that Purchase Notice at any time prior to the close of business on the Project Change of Control Purchase Date by delivery of a written notice of withdrawal to the Trustee in accordance with Section 4.9;

(m) that interest on those Series 1 Notes in respect of which a Purchase Notice has been given and not withdrawn shall cease to accrue from and after the Project Change of Control Purchase Date, except to the extent that such Series 1 Notes are not purchased as a result of the *pro rating* of the number of Series 1 Notes to be purchased; and

(n) that except to the extent that such Series 1 Notes are not purchased as a result of the *pro rating* of the number of Series 1 Notes to be purchased, the Series 1 Notes shall be purchased on the Project Change of Control Purchase Date pursuant to the applicable provisions of the Trust Indenture and this First Supplemental Trust Indenture.

4.7 <u>Procedures for Exercising Change of Control Purchase</u>

A Holder may exercise its rights specified in Sections 4.1 or 4.6 upon delivery to the Trustee of a signed Purchase Notice at any time prior to the close of business on the Change of Control Purchase Date that includes the following information:

(a) the certificate numbers of the Series 1 Notes that the Holder will deliver to be purchased;

(b) the principal amount of the Series 1 Notes that the Holder will deliver to be purchased, which amount must be Cdn.$1,000 or an integral multiple thereof; and

(c) a statement that the Series 1 Notes are to be purchased by the Corporation on the Change of Control Purchase Date pursuant to the applicable provisions of the Trust Indenture and this First Supplemental Trust Indenture.

The delivery of such Series 1 Notes (together with all necessary endorsements) to the Trustee prior to, on or after the Change of Control Purchase Date shall be a condition to the receipt by the Holder of the Purchase Price for such Series 1 Notes; provided that such Purchase Price shall be paid only if the Series 1 Notes so delivered to the Trustee conform in all respects to the description thereof set forth in the related Purchase Notice.

4.8 <u>Consummation of Purchase</u>

Upon receipt by the Trustee of a Purchase Notice, the Holder of the Series 1 Notes in respect of which such Purchase Notice was given shall (unless such Purchase Notice is withdrawn in accordance with Section 4.8) thereafter be entitled to receive solely the Purchase Price therefor. The Purchase Price shall be paid to such Holder promptly following the later of:

(a) the Business Day following the Change of Control Purchase Date (provided the conditions in Section 4.7 have been satisfied); and

(b) the time of delivery of such Series 1 Notes to the Trustee by the Holder thereof in the manner required by Section 4.7.

4.9 <u>Withdrawal of Purchase Notice</u>

A Purchase Notice may be withdrawn at any time prior to the close of business on the Change of Control Purchase Date, as the case may be, by means of a written notice of withdrawal delivered by the Holder to the Trustee specifying:

(a) the certificate number of the Series 1 Notes in respect of which such notice of withdrawal is being submitted;

(b) the principal amount of the Series 1 Notes (which shall be Cdn.$l,000 or an integral multiple thereof) with respect to which such notice of withdrawal is being submitted; and

(c) the principal amount of the Series 1 Notes, if any, to remain subject to the original Purchase Notice, which amount must be Cdn.$1,000 or an integral multiple thereof.

The Trustee shall promptly return to the respective Holders thereof any Series 1 Notes with respect to which a Purchase Notice has been withdrawn in compliance with this First Supplemental Trust Indenture.

4.10 <u>Notification by Trustee</u>

The Trustee shall promptly notify the Corporation of the receipt of any Purchase Notice and of any written notice of withdrawal thereof.

4.11 <u>No Purchase in the Event of Default</u>

No purchase of any Series 1 Notes pursuant to Section 4 shall be permitted so long as there has occurred and is continuing an Event of Default (other than a default in the payment of the Change of Control Purchase Price). The Trustee shall promptly return to the respective Holders thereof any Series 1 Notes delivered to it pursuant to a Purchase Notice and held by it during the continuance of an Event of Default existing on the Business Day following the Change of Control Purchase Date (other than a default in the payment of the Change of Control Purchase Price).

4.12 <u>Deposit of Change of Control Purchase Price</u>

No later than 9:00 a.m., Toronto, Ontario time, on the Business Day prior to the Corporation Change of Control Purchase Date or Project Change of Control Purchase Date, as the case may be, the Corporation shall deposit with the Trustee an amount of cash sufficient to pay the aggregate Purchase Price of all the Series 1 Notes or portions thereof that are to be purchased as of the Corporation Change of Control Purchase Date or Project Change of Control Purchase Date, as the case may be.

4.13 <u>Series 1 Notes Purchased in Part</u>

Any Series 1 Notes that are to be purchased only in part shall be surrendered to the Trustee at the Stock Transfer Facilities (with, if the Corporation or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Corporation and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Corporation shall execute and the Trustee shall certify and deliver to the Holder of such Series 1 Notes, without service charge, a replacement Series 1 Note or Notes, of any authorized denomination as requested by such Holder in an aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Series 1 Notes so surrendered that is not purchased.

4.14 Covenant to Comply with Securities Laws

In connection with any offer to purchase or purchase of Series 1 Notes under this Section 4 the Corporation shall comply with all applicable Canadian and United States federal, provincial and state securities laws so as to permit the rights and obligations under this Section 4 to be exercised to the greatest extent practicable in the time and in the manner specified in this Section 4.

SECTION 5 – SERIES 1 NOTES ADDITIONAL COVENANT AND EVENTS OF DEFAULT

5.1 Use of Proceeds

Subject to the provisions of the Escrow Agreement, the Corporation shall use the net proceeds from the sale of the Series 1 Notes for the purposes set out under the heading "Use of Proceeds" in the prospectus of the Corporation dated June 1, 2004.

5.2 Limitation of Convertible Debt

The Corporation shall not issue or permit to be outstanding any Convertible Debt which has a maturity date earlier than June 16, 2010.

5.3 Events of Default

In addition to the events specified in Section 7.1 of the Trust Indenture, each of the following shall be an "**Event of Default**" in respect of the Series 1 Notes:

(a) the failure to pay the Purchase Price or Redemption Price on any Series 1 Notes when due; and

(b) more than 33 1/3% of the Project Pool is held in escrow by the Escrow Agent under the terms of the Escrow Agreement on June 30, 2006.

5.4 Additional Series not to Have Priority

The Corporation shall not issue any Notes of a Series which:

(a) have maturity dates earlier than the Stated Maturity of the Series 1 Notes;

(b) rank senior to the Series 1 Notes; or

(c) contain any provisions (including but not limited to sinking fund provisions) which have or would reasonably be expected to have a negative effect on the ability of the Corporation to pay interest and principal under the Series 1 Notes as they become due or on any Security Interest granted by the Corporation in respect of the Series 1 Notes.

SECTION 6 – ADDITIONAL AMOUNTS

6.1 Payment of Additional Amounts

All payments made by the Corporation with respect to the Series 1 Notes shall be made free and clear of and without deduction for or on account of any present or future tax, duty, levy, impost, assessment, or other governmental charge imposed or levied by or on behalf of the Government of Canada or of any province or territory thereof or by any authority or agency therein or thereof having power to tax ("**Taxes**"), unless the Corporation is required to withhold or deduct Taxes by law or by the interpretation or administration thereof. If the Corporation is required by such laws or by the interpretation or administration thereof to withhold or deduct any amount from any payment of principal amount at maturity, interest, Redemption Price, Purchase Price for or on account of any Taxes, the Corporation shall pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received by each Holder (including Additional Amounts) will not be less than the amount the Holder would have received if such Taxes had not been withheld or deducted; provided that no Additional Amounts will be payable with respect to a payment made to a Holder (an "**Excluded Holder**"):

(a) with which the Corporation does not deal at arm's length (within the meaning of the *Income Tax Act* (Canada)) at the time of making such payment; or

(b) which is subject to such Taxes by reason of its being connected with Canada or any province or territory thereof otherwise than by the mere holding of the Series 1 Notes or the receipt of payments thereunder.

The Corporation shall also:

(c) make such withholding or deduction; and

(d) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

The Corporation will furnish to the Holders of the Series 1 Notes, within 30 days after the date that the payment of any Taxes is due pursuant to applicable law, copies of receipts evidencing such payment by the Corporation. The Corporation will indemnify and hold harmless each Holder (other than an Excluded Holder) and upon written request reimburse each such Holder for the amount of:

(e) any Taxes so levied or imposed and paid by such Holder as a result of payments made with respect to the Series 1 Notes;

(f) any liability (including penalties, interest and expenses) arising therefrom or with respect thereto; and

(g) any Taxes imposed with respect to any reimbursement under (e) or (f), but excluding any such Taxes based on the Holder's net income.

At least 30 days prior to each date on which any payment on the Series 1 Notes is due and payable, if the Corporation will be obligated to pay Additional Amounts with respect to such payment, the Corporation will deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to Holders on the payment date. Whenever in the Indenture or this First Supplemental Trust Indenture, there is mentioned, in any context, the payment of principal amount at maturity, accrued interest, Redemption Price, Change of Control Purchase Price or default interest, if any, in respect of any Series 1 Notes such mention shall be deemed to include mention of the payment of Additional Amounts provided for in this Section 6 to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to the provisions of this Section 6 and express mention of the payment of Additional Amounts (if applicable) in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express mention is not made (if applicable).

The obligations of the Corporation under this Section 6 shall survive the termination of the Indenture and this First Supplemental Trust Indenture and the payment of all amounts under or with respect to the Series 1 Notes.

SECTION 7 - MISCELLANEOUS

7.1 Acceptance of Trust

The Trustee accepts the trusts in this First Supplemental Trust Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this First Supplemental Trust Indenture and in accordance with the Trust Indenture.

7.2 Confirmation of Trust Indenture

The Trust Indenture as amended and supplemented by this First Supplemental Trust Indenture is in all respects confirmed.

7.3 Counterparts

This First Supplemental Trust Indenture may be executed in counterparts, each of which so executed shall be deemed to be original and such counterparts together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties hereto have executed this First Supplemental Indenture under the hands of their proper signatories in that behalf.

FRONTERA COPPER CORPORATION

Per:____________________________

Per:____________________________

CIBC MELLON TRUST COMPANY

Per:____________________________
E. PETRYLA.
ACCOUNT MANAGER

Per:____________________________
LENNOX AUGUST
ASSOCIATE MANAGER

SCHEDULE 1 – FORM OF GLOBAL NOTE-SERIES 1

This Note is a Global Note within the meaning of the Trust Indenture hereinafter referred to and is registered in the name of a Depository or a nominee thereof. Unless this Note is presented by an authorized representative of The Canadian Depository for Securities Limited ("CDS") to Frontera Copper Corporation or its agent for registration of transfer, exchange or payment, and any Note issued in respect thereof is registered in the name of CDS & Co., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & Co., or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered holder hereof, CDS & Co., has an interest herein.

No. 1-001 Cdn.$●

FRONTERA COPPER CORPORATION
(Incorporated under the laws of Canada)

10% SENIOR UNSECURED NOTES DUE JUNE 15, 2010 (SERIES 1)

CUSIP 359043AA4

Issue Date	June 10, 2005
Stated Maturity	June 15, 2010
Interest Rate Per Annum	10%
Interest Payment Dates	June 15 and December 15 in each year
Initial Interest Payment Date	December 15, 2005
Principal Amount	Cdn.$●

FRONTERA COPPER CORPORATION (the "**Corporation**") for value received hereby promises to pay to the registered holder hereof on the Stated Maturity, or on such earlier date as the Principal Amount (or a portion thereof) may become due in accordance with the provisions of the Trust Indenture (as defined below), on presentation and surrender of this 10% Senior Unsecured Note due June 15, 2010 (Series 1) (the "**Series 1 Note**"), the Principal Amount in lawful money of Canada at the office of the Trustee (as defined below) at 199 Bay Street, Commerce Court West, B2 Level, Toronto, Ontario, M5L 1G9 and to pay interest on the Principal Amount at the Interest Rate Per Annum from and including the later of the Issue Date and the last Interest Payment Date on which interest has at that time most recently been paid on this Series 1 Note, at the address of the registered holder hereof appearing on the register of Series 1 Notes maintained by or at the direction of the Trustee (the "**Register**"), in like money semi-annually in arrears and, except in respect of the Initial Interest Payment Date, in equal instalments on the Interest Payment Dates in each year, the first such payment to be payable on the Initial Interest Payment Date, and if the Corporation at any time defaults in the payment of any principal or interest, to pay interest on the amount in default at the same rate, in like money, on demand, at the address of the registered holder hereof appearing on the Register. The Corporation, on the day that is two Business Days before each Interest Payment Date, will forward or cause to be forwarded to the address of the registered holder hereof appearing on the Register a cheque for interest due and payable to such holder on such Interest Payment Date, less any taxes required by law to be deducted or withheld, made payable to the order of such holder; provided, however that in case of payment of interest at maturity or redemption or as otherwise provided in the Trust Indenture, the time for payment of interest, less any such taxes, may at the option of the Corporation be determined based on the time that the certificate representing this Series 1 Note is presented and surrendered to the Trustee. The forwarding of such cheque will satisfy and discharge the liability for interest upon such Series 1 Note to the extent of the sum represented thereby (plus the amount of any taxes deducted or withheld as aforesaid) unless such cheque is not paid on presentation.

This Series 1 Note is one of an authorized issue of Notes designated as 10% Senior Unsecured Notes due June 15, 2010 (Series 1) and forming the series of Notes created and issued under a first supplemental trust indenture made as of June 10, 2005 (the "**First Supplemental Trust Indenture**") to a trust indenture (the "**Indenture**") made as of June 10, 2005, between the Corporation and CIBC Mellon Trust Company (the "**Trustee**"), as Trustee (the First Supplemental Trust Indenture and the Indenture collectively referred to herein as the "**Trust Indenture**"). The Trust Indenture specifies the terms and conditions upon which the Series 1 Notes are created and issued or may be created, issued and held and the rights of the registered holders of the Series 1 Notes, the Corporation and the Trustee, all of which terms and conditions are incorporated by reference in this Series 1 Note and to each of which the registered holder of this Series 1 Note, by acceptance hereof, agrees.

The aggregate principal amount of Series 1 Notes that may be created and issued under the First Supplemental Trust Indenture is limited to up to Cdn$.69,000,000. Series 1 Notes are issuable as fully registered Notes in denominations of Cdn.$1,000 and integral multiples thereof and, subject to the terms and conditions set forth in the Trust Indenture, are issued as book entry only Notes.

The Series 1 Notes are direct unsecured obligations of the Corporation and will rank senior to Subsordinated Indebtedness, junior to CDM Secured Indebtedness and Project Secured Indebtedness, and equally with each other and with all other Notes of every other series from time to time issued and outstanding pursuant to the Trust Indenture and, except to the extent prescribed by law, with all other unsecured and unsubordinated Indebtedness of the Corporation.

The Corporation:

(a) may redeem the Series 1 Notes, in whole or in part, at any time after June 15, 2009, for cash in Canadian dollars at a redemption price equal to 101% of the principal amount of the Series 1 Notes plus accrued and unpaid interest thereon, if any;

(b) may at any time and from time to time redeem the Series 1 Notes, in whole but not in part, for cash in Canadian dollars at a redemption price equal to the principal amount of the Series 1 Notes plus accrued and unpaid interest thereon, if any, if the Corporation has become or would become obligated to pay, on the next date on which any amount would be payable under or with respect to the Series 1 Notes, any Additional Amounts as a result of any change in, or amendment to, the laws (or any regulations promulgated thereunder) of Canada (or any political subdivision or taxing authority thereof or therein), or any change in, or amendment to, any official position regarding the application or interpretation of such laws or regulations, which change or amendment is announced or becomes effective after the date of issue of the Series 1 Notes; and

(c) may redeem the Series 1 Notes, in whole but not in part, for cash in Canadian dollars at a redemption price equal to the principal amount of the Series 1 Notes plus accrued and unpaid interest thereon, if any, if a Corporation Change of Control occurs at any time after June 15, 2009.

At any time when the Corporation is not in default under the Trust Indenture, the Corporation may, subject to the terms and conditions set forth in the Trust Indenture, purchase Series 1 Notes in the open market, by tender or by private contract, at any price. Series 1 Notes purchased by the Corporation shall be cancelled and not reissued.

If a Corporation Change of Control occurs, the Corporation (if entitled to do so) does not elect to redeem the Series 1 Notes and the Acquiror’s Debt Rating, either before or after the Corporation Change of Control, is less than the Corporation’s Debt Rating, the Corporation shall, at the request of the Holder, purchase all or a portion of the Holder’s Series 1 Notes for cash in Canadian dollars at a price equal to the principal amount of the Series 1 Notes, together with accrued and unpaid interest thereon to but excluding the date of purchase, subject to the right of the Holder to receive interest due on the relevant Interest Payment Date.

If a Project Change of Control occurs the Corporation may under certain circumstances be required to offer to purchase all or a portion of the Holder’s Series 1 Notes for cash in Canadian dollars at a price equal to the principal amount of the Series 1 Notes, together with accrued and unpaid interest thereon to but excluding the date of purchase, subject to the right of the Holder to receive interest due on the relevant Interest Payment Date.

The Principal Amount may become or be declared due before the Stated Maturity on the conditions, in the manner, with the effect and at the times set forth in the Trust Indenture.

The Trust Indenture contains certain events of default and certain covenants given by the Corporation for the benefit of the Holder.

The Trust Indenture contains provisions for the holding of meetings of registered holders of Notes issued by the Corporation pursuant to the Trust Indenture and the making of resolutions at such meetings and the creation of instruments in writing signed by the registered holders of a specified majority of Notes issued and outstanding pursuant to the Trust Indenture. Such resolutions and instruments will be binding on and may affect the rights and entitlements of all holders of Notes issued by the Corporation pursuant to the Trust Indenture, subject to the provisions of the Trust Indenture.

This Series 1 Note may be transferred only upon compliance with the conditions prescribed in the Trust Indenture relating to the transfer of a Global Note (as defined in the Trust Indenture), and upon compliance with such reasonable requirements as the Trustee or other Registrar may prescribe, and such transfer shall be duly noted hereon by the Trustee or other Registrar.

This Series 1 Note shall not become obligatory for any purpose until it shall have been certified by the manual signature of the Trustee in accordance with the Trust Indenture.

IN WITNESS WHEREOF FRONTERA COPPER CORPORATION has caused this Series 1 Note to be signed by its President and Chief Executive Officer and its Chief Financial Officer.

FRONTERA COPPER CORPORATION

Per:__________________________________

Per:__________________________________

(FORM OF TRUSTEE’S CERTIFICATE)

TRUSTEE’S CERTIFICATE

This Note is one of the Series 1 Notes referred to in the Trust Indenture referred to above.

CIBC MELLON TRUST COMPANY

Per:__________________________________
Authorized Signatory

(FORM OF REGISTRATION PANEL)

(NO WRITING HEREON EXCEPT BY THE TRUSTEE OR OTHER REGISTRAR)

Date of Registration	**In Whose Name Registered**	**Signature of Trustee or Other Registrar**

POWER OF ATTORNEY

FOR VALUE RECEIVED THE UNDERSIGNED HEREBY SELLS, ASSIGNS AND TRANSFER UNTO:

Name of Transferee: ______________________________

Address of Transferee: ______________________________

SERIES 1 NOTES ($ ________ aggregate principal amount)

of FRONTERA COPPER CORPORATION

Represented by Certificate(s) Number(s) ______________________________

AND HEREBY IRREVOCABLY CONSTITUTE AND APPOINTS

____

THE ATTORNEY OF THE UNDERSIGNED TO TRANSFER THE SAID SERIES 1 NOTES WITH FULL POWER OF SUBSTITUTION IN THE PREMISES

DATED ______________________________

Signature of Transferor:

____
Name of Transferor as recorded on Certificate(s)

____
Name and Title of Authorized Signatory

____
Signature

____
Name of Guarantor

____
Name and Title of Authorized Signatory

____
Signature

For transfers signed by the registered holder(s), their signature(s) must correspond with the name(s) on the certficate(s) or statement in every particular, without any changes. In addition any signature must be **Signature Guaranteed** by a Canadian Schedule 1 chartered bank or a major trust company in Canada or a member of the Securities Transfer Association Medallion Program (STAMP) or a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc Medallion Signature Program (MSP)

SCHEDULE 2 – U.S. FORM OF DEFINITIVE NOTE-SERIES 1

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER OF THIS CERTIFICATE, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF FRONTERA COPPER CORPORATION (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A)(1) TO THE CORPORATION, (2) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT; OR (3) INSIDE THE UNITED STATES IN ACCORDANCE WITH (i) RULE 144A UNDER THE U.S. SECURITIES ACT OR (ii) RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, AS CONFIRMED BY AN OPINION OF THE HOLDER'S COUNSEL REASONABLY ACCEPTABLE TO THE CORPORATION, OR (iii) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AS CONFIRMED BY AN OPINION OF THE HOLDER'S COUNSEL REASONABLY ACCEPTABLE TO THE CORPORATION, TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT; AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. A NEW CERTIFICATE BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY", MAY BE OBTAINED FROM THE REGISTRAR OF THE CORPORATION UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO CIBC MELLON TRUST COMPANY AND THE CORPORATION, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.

This Note is a Global Note within the meaning of the Trust Indenture hereinafter referred to and is registered in the name of a Depository or a nominee thereof. Unless this Note is presented by an authorized representative of The Canadian Depository for Securities Limited ("CDS") to Frontera Copper Corporation or its agent for registration of transfer, exchange or payment, and any Note issued in respect thereof is registered in the name of CDS & Co., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & Co., or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered holder hereof, CDS & Co., has an interest herein.

No. 1-00● Cdn.$●

FRONTERA COPPER CORPORATION
(Incorporated under the laws of Canada)

10% SENIOR UNSECURED NOTES DUE JUNE 15, 2010 (SERIES 1)

CUSIP No. 359043AC05

Issue Date	June 10, 2005
Stated Maturity	June 15, 2010
Interest Rate Per Annum	10%
Interest Payment Dates	June 15 and December 15 in each year
Initial Interest Payment Date	December 15, 2005

Principal Amount Cdn.$●

FRONTERA COPPER CORPORATION (the "**Corporation**") for value received hereby promises to pay to the registered holder hereof on the Stated Maturity, or on such earlier date as the Principal Amount (or a portion thereof) may become due in accordance with the provisions of the Trust Indenture (as defined below), on presentation and surrender of this 10% Senior Unsecured Note due June 15, 2010 (Series 1) (the "**Series 1 Note**"), the Principal Amount in lawful money of Canada at the office of the Trustee (as defined below) at 199 Bay Street, Commerce Court West, B2 Level, Toronto, Ontario, M5L 1G9 and to pay interest on the Principal Amount at the Interest Rate Per Annum from and including the later of the Issue Date and the last Interest Payment Date on which interest has at that time most recently been paid on this Series 1 Note, at the address of the registered holder hereof appearing on the register of Series 1 Notes maintained by or at the direction of the Trustee (the "**Register**"), in like money semi-annually in arrears and, except in respect of the Initial Interest Payment Date, in equal instalments on the Interest Payment Dates in each year, the first such payment to be payable on the Initial Interest Payment Date, and if the Corporation at any time defaults in the payment of any principal or interest, to pay interest on the amount in default at the same rate, in like money, on demand, at the address of the registered holder hereof appearing on the Register. The Corporation, on the day that is two Business Days before each Interest Payment Date, will forward or cause to be forwarded to the address of the registered holder hereof appearing on the Register a cheque for interest due and payable to such holder on such Interest Payment Date, less any taxes required by law to be deducted or withheld, made payable to the order of such holder; provided, however that in case of payment of interest at maturity or redemption or as otherwise provided in the Trust Indenture, the time for payment of interest, less any such taxes, may at the option of the Corporation be determined based on the time that the certificate representing this Series 1 Note is presented and surrendered to the Trustee. The forwarding of such cheque will satisfy and discharge the liability for interest upon such Series 1 Note to the extent of the sum represented thereby (plus the amount of any taxes deducted or withheld as aforesaid) unless such cheque is not paid on presentation.

This Series 1 Note is one of an authorized issue of Notes designated as 10% Senior Unsecured Notes due June 15, 2010 (Series 1) and forming the series of Notes created and issued under a first supplemental trust indenture made as of June 10, 2005 (the "**First Supplemental Trust Indenture**") to a trust indenture (the "**Indenture**") made as of June 10, 2005, between the Corporation and CIBC Mellon Trust Company (the "**Trustee**"), as Trustee (the First Supplemental Trust Indenture and the Indenture collectively referred to herein as the "**Trust Indenture**"). The Trust Indenture specifies the terms and conditions upon which the Series 1 Notes are created and issued or may be created, issued and held and the rights of the registered holders of the Series 1 Notes, the Corporation and the Trustee, all of which terms and conditions are incorporated by reference in this Series 1 Note and to each of which the registered holder of this Series 1 Note, by acceptance hereof, agrees.

The aggregate principal amount of Series 1 Notes that may be created and issued under the First Supplemental Trust Indenture is limited to up to Cdn$.69,000,000. Series 1 Notes are issuable as fully registered Notes in denominations of Cdn.$1,000 and integral multiples thereof.

The Series 1 Notes are direct unsecured obligations of the Corporation and will rank senior to Subordinated Indebtedness, junior to CDM Secured Indebtedness and Project Secured Indebtedness, and equally with each other and with all other Notes of every other series from time to time issued and outstanding pursuant to the Trust Indenture and, except to the extent prescribed by law, with all other unsecured and unsubordinated Indebtedness of the Corporation.

The Corporation:

(a) may redeem the Series 1 Notes, in whole or in part, at any time after June 15, 2009, for cash in Canadian dollars at a redemption price equal to 101% of the principal amount of the Series 1 Notes, plus accrued and unpaid interest thereon, if any;

(b) may at any time and from time to time redeem the Series 1 Notes, in whole but not in part, for cash in Canadian dollars at a redemption price equal to the principal amount of the Series 1 Notes plus accrued and unpaid interest thereon, if any, if the Corporation has become or would become obligated to pay, on the next date on which any amount would be payable under or with respect to the Series 1 Notes, any Additional Amounts as a result of any change in, or amendment to, the laws (or any regulations promulgated thereunder) of Canada (or any political subdivision or taxing authority thereof or therein), or any change in, or amendment to, any official position regarding the application or interpretation of such laws or regulations, which change or amendment is announced or becomes effective after the date of issue of the Series 1 Notes; and

(c) may redeem the Series 1 Notes, in whole but not in part, for cash in Canadian dollars at a redemption price equal to the principal amount of the Series 1 Notes plus accrued and unpaid interest thereon, if any, if a Corporation Change of Control occurs at any time after June 15, 2009.

At any time when the Corporation is not in default under the Trust Indenture, the Corporation may, subject to the terms and conditions set forth in the Trust Indenture, purchase Series 1 Notes in the open market, by tender or by private contract, at any price. Series 1 Notes purchased by the Corporation shall be cancelled and not reissued.

If a Corporation Change of Control occurs, the Corporation (if entitled to do so) does not elect to redeem the Series 1 Notes and the Acquiror's Debt Rating, either before or after the Corporation Change of Control, is less than the Corporation's Debt Rating, the Corporation shall, at the request of the Holder, purchase all or a portion of the Holder's Series 1 Notes for cash in Canadian dollars at a price equal to the principal amount of the Series 1 Notes, together with accrued and unpaid interest thereon to but excluding the date of purchase, subject to the right of the Holder to receive interest due on the relevant Interest Payment Date.

If a Project Change of Control occurs the Corporation may under certain circumstances be required to offer to purchase all or a portion of the Holder's Series 1 Notes for cash in

Canadian dollars at a price equal to the principal amount of the Series 1 Notes, together with accrued and unpaid interest thereon to but excluding the date of purchase, subject to the right of the Holder to receive interest due on the relevant Interest Payment Date.

The Principal Amount may become or be declared due before the Stated Maturity on the conditions, in the manner, with the effect and at the times set forth in the Trust Indenture.

The Trust Indenture contains certain events of default and certain covenants given by the Corporation for the benefit of the Holder.

The Trust Indenture contains provisions for the holding of meetings of registered holders of Notes issued by the Corporation pursuant to the Trust Indenture and the making of resolutions at such meetings and the creation of instruments in writing signed by the registered holders of a specified majority of Notes issued and outstanding pursuant to the Trust Indenture. Such resolutions and instruments will be binding on and may affect the rights and entitlements of all holders of Notes issued by the Corporation pursuant to the Trust Indenture, subject to the provisions of the Trust Indenture.

This Series 1 Note may be transferred only upon compliance with the conditions prescribed in the Trust Indenture by the registered holder hereof or the holder's legal representative or attorney duly appointed by an instrument in form and execution satisfactory to the Trustee, and upon compliance with such reasonable requirements as the Trustee or other Registrar may prescribe, and such transfer shall be duly noted hereon by the Trustee or other Registrar.

This Series 1 Note shall not become obligatory for any purpose until it shall have been certified by the manual signature of the Trustee in accordance with the Trust Indenture.

IN WITNESS WHEREOF FRONTERA COPPER CORPORATION has caused this Series 1 Note to be signed by its President and Chief Executive Officer and its Chief Financial Officer.

FRONTERA COPPER CORPORATION

Per:__________________________________

Per:__________________________________

(FORM OF TRUSTEE'S CERTIFICATE)

TRUSTEE'S CERTIFICATE

This Note is one of the Series 1 Notes referred to in the Trust Indenture referred to above.

CIBC MELLON TRUST COMPANY

Per:__________________________________
Authorized Signatory

(FORM OF REGISTRATION PANEL)

(NO WRITING HEREON EXCEPT BY THE TRUSTEE OR OTHER REGISTRAR)

Date of Registration	**In Whose Name Registered**	**Signature of Trustee or Other Registrar**

POWER OF ATTORNEY

FOR VALUE RECEIVED THE UNDERSIGNED HEREBY SELLS, ASSIGNS AND TRANSFER UNTO:

Name of Transferee: ______________________________

Address of Transferee: ______________________________

SERIES 1 NOTES ($ ______ aggregate principal amount)

of FRONTERA COPPER CORPORATION

Represented by Certificate(s) Number(s) ______________________________

AND HEREBY IRREVOCABLY CONSTITUTE AND APPOINTS

____

THE ATTORNEY OF THE UNDERSIGNED TO TRANSFER THE SAID SERIES 1 NOTES WITH FULL POWER OF SUBSTITUTION IN THE PREMISES

DATED ______________________

Signature of Transferor:

____
Name of Transferor as recorded on Certificate(s)

____
Name and Title of Authorized Signatory

____
Signature

____
Name of Guarantor

____
Name and Title of Authorized Signatory

____
Signature

For transfers signed by the registered holder(s), their signature(s) must correspond with the name(s) on the certficate(s) or statement in every particular, without any changes. In addition any signature must be **Signature Guaranteed** by a Canadian Schedule 1 chartered bank or a major trust company in Canada or a member of the Securities Transfer Association Medallion Program (STAMP) or a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc Medallion Signature Program (MSP)