AGENCY AGREEMENT

July 22, 2009

Medoro Resources Ltd.
220 Bay Street, Suite 1400
Toronto, Ontario M5J 2W4

Attention: Peter Volk, General Counsel and Secretary

Dear Sirs:

The undersigned, GMP Securities L.P. (the "**Agent**") understands that Medoro Resources Ltd. (the "**Company**") proposes to issue and sell up to 34,500,000 units (each, a "**Unit**") at a price of $0.25 per Unit (the "**Issue Price**"), where each Unit will consist of one Common Share (as hereinafter defined) (each, a "**Unit Share**") and one Common Share purchase warrant (each, a "**Warrant**") for aggregate gross proceeds of up to $8,625,000 (the "**Offering**"), subject to the terms and conditions set out below. Each Warrant shall entitle the holder thereof to purchase one Common Share (a "**Warrant Share**") at a price of $0.50 at any time before 5:00 p.m. (Toronto time) on the day that is two years following the Closing Date (as hereinafter defined), subject to adjustment in certain events. The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Certificates (as hereinafter defined). In case of any inconsistency between the description of the Warrants in this Agreement and the terms of the Warrants as set forth in the Warrant Certificates, the provisions of the Warrant Certificates shall govern.

Upon and subject to the terms and conditions set forth herein, the Agent hereby agrees to act, and the Company hereby appoints the Agent, as the Company's exclusive agent to offer for sale to Purchasers (as hereinafter defined) in the Selling Jurisdictions (as hereinafter defined), on a best efforts agency basis, without underwriter liability, the Units at the Issue Price. For greater certainty, the Agent shall not be under any obligation whatsoever to purchase any of the Units, although the Agent may subscribe for Units if it so desires.

In consideration of the services rendered by the Agent in connection with the Offering, the Company shall pay to the Agent at Closing (as hereinafter defined) a cash commission (the "**Commission**") equal to 6.0% of the gross proceeds realized by the Company in respect of the sale of the Units pursuant to the Offering. The obligation of the Company to pay the Commission shall arise at the Closing Time (as hereinafter defined) and the Commission shall be fully earned by the Agent at that time. As additional compensation for the services provided by the Agent, the Company will issue to the Agent the Compensation Options (as hereinafter defined) upon and subject to the provisions of paragraph 10 of this Agreement. At the Closing Time, the Company shall execute and deliver to the Agent (or its agents, as the case may be) the Compensation Option Certificate (as hereinafter defined).

The parties acknowledge that the Units, the Unit Shares and the Warrants comprising the Units and the Warrant Shares have not been and will not be registered under the U.S. Securities Act (as hereinafter defined) or the securities laws of any state of the United States (as hereinafter defined) and may not be offered or sold in the United States, or to U.S. Persons (as hereinafter defined) unless they have been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration requirements is available.

The Company agrees that the Agent will be permitted to appoint other registered dealers (or other dealers duly licensed or registered in their respective jurisdictions) as their agents to assist in the Offering and that the Agent shall determine the remuneration payable to such other dealers appointed by them. Such remuneration shall be payable by the Agent.

DEFINITIONS

In this Agreement, in addition to the terms defined above or elsewhere in this Agreement, the following terms shall have the following meanings:

"**affiliate**", "**associate**", "**distribution**", "**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings ascribed thereto in the *Securities Act* (Ontario);

"**Affiliates**" has the meaning ascribed thereto in Section 9;

"**Agreement**" means the agreement resulting from the acceptance by the Company of the offer made by the Agent hereby, including all schedules hereto, as amended or supplemented from time to time;

"**Business Day**" means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Toronto, Ontario;

"**Canadian Securities Laws**" means all applicable securities laws in each of the Canadian Selling Jurisdictions and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such provinces and all rules and policies of the TSXV;

"**Closing**" means the closing on the Closing Date of the transaction of purchase and sale in respect of the Units as contemplated by this Agreement and the Subscription Agreements;

"**Closing Date**" means July 22, 2009 or such other date as the Agent and the Company shall agree, but, in any event, no later than August 7, 2009;

"**Closing Time**" means 11:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Agent may agree;

"**Common Shares**" means the common shares in the capital of the Company;

"Compensation Options" shall have the meaning ascribed thereto in paragraph 10;

“**Compensation Option Certificate**” means the certificate representing the Compensation Options in a form to be agreed upon by the Company and the Agent, each acting reasonably;

“Compensation Shares” means the Common Shares issuable upon exercise of the Compensation Options;

“Compensation Units” shall have the meaning ascribed thereto in paragraph 10;

“Compensation Warrants” means the Warrants issuable upon exercise of the Compensation Options;

“Compensation Warrant Shares” means the Common Shares issuable upon exercise of the Compensation Warrants;

“**Company’s Auditors**” means Deloitte & Touche, LLP, Chartered Accountants, or such other firm of chartered accountants as the Company may have appointed or may from time to time appoint as auditors of the Company;

“**Debt Instrument**” means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability;

“**Environmental Laws**” has the meaning ascribed thereto in paragraph 3(a)(xxxi);

“**Financial Statements**” has the meaning ascribed thereto in paragraph 3(a)(vii);

“**Governmental Authority**” means and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

“**including**” means including without limitation;

“**Institutional Accredited Investor**” means those institutional “accredited investors” described in Rule 501(a)(1), (2), (3) or (7) of Regulation D;

“**knowledge of the Company**” means and is limited to the actual knowledge of the Chief Executive Officer, Chief Financial Officer and General Counsel and Secretary of the Company, after due inquiry;

“**Leased Premises**” means the premises which are material to the Company and its Subsidiaries, taken as a whole and which the Company or any of its Subsidiaries occupy as a tenant;

“**Lo Increible Property**” means the gold mining contracts located in the El Callao municipality district of the State of Bolivar in Venezuela known as Lo Increible 4A and Lo Increible 4B in which the Company holds an interest, as more particularly described in the Public Disclosure Documents;

"**Material Adverse Effect**" means the effect resulting from any event or change which has a material adverse effect on the business, operations or capital of the Company and the Subsidiaries considered as a whole;

"**Material Agreement**" means any material Debt Instrument, indenture, contract, commitment, agreement (written or oral), instrument, lease or other document, to which the Company or any of its Material Subsidiaries are a party;

"**Material Subsidiaries**" mean, collectively: (i) Medoro Resources International Ltd.; (ii) Mineria MH, C.A.; (iii) Medoro de Venezuela, C.A.; (iv) Lo Increible Mining Company de Venezuela C.A.; and (v) Los Mineros de El Callao, S.A. and "**Material Subsidiary**" means any one of them;

"**NI 43-101**" has the meaning ascribed thereto in paragraph 3(a)(xlvi);

"**person**" means any individual, corporation, partnership, joint venture, association, trust or other legal entity;

"**Personnel**" has the meaning ascribed thereto in Section 9;

"**Public Disclosure Documents**" means, collectively, all of the publicly available documents which have been filed by or on behalf of the Company prior to the Closing Time with the relevant Securities Regulators pursuant to the requirements of Canadian Securities Laws, including all press releases, annual information forms, material change reports, financial statements, information circulars, technical reports and other documents that have been publicly disclosed by the Company or otherwise posted on SEDAR;

"**Purchasers**" means the persons (which may include the Agent) who, as purchasers or beneficial purchasers acquire Units by duly completing, executing and delivering Subscription Agreements and any other required documentation and permitted assignees or transferees of such persons from time to time;

"**Regulation D**" means Regulation D under the U.S. Securities Act;

"**Securities Regulators**" means, collectively, the securities regulators in Canada and the United States or other applicable securities regulatory authorities, including the TSXV, in the Selling Jurisdictions;

"**Selling Jurisdictions**" means each of the provinces of Canada, and such other jurisdictions outside of Canada, including the United States, as mutually agreed to by the Company and the Agent;

"**Subscription Agreements**" means, collectively, the subscription agreements in the forms agreed upon by the Agent and the Company, pursuant to which Purchasers agree to subscribe for and purchase the Units as herein contemplated and shall include, for greater certainty, all schedules thereto;

"**subsidiary**" and "**subsidiaries**" shall have the meaning ascribed thereto in the *Business Corporations Act* (Yukon);

"**Taxes**" has the meaning ascribed thereto in paragraph 3(a)(ix);

"**Transfer Agent**" means Equity Transfer & Trust Company, in its capacity as transfer agent and registrar for the Common Shares at its principal offices in the City of Toronto, Ontario;

"**TSXV**" means the TSX Venture Exchange Inc.;

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

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**Venezuelan Opinion**" has the meaning ascribed thereto in paragraph 5(a)(j); and

"**Warrant Certificates**" means the certificates to be dated as of and issued on the Closing Date representing the Warrants in a form to be agreed upon by the Company and the Agent, each acting reasonably.

TERMS AND CONDITIONS

1. (a) Sale on Exempt Basis. The Agent shall offer for sale and sell the Units on behalf of the Company in the Selling Jurisdictions on a private placement basis in compliance with all applicable securities laws in the Selling Jurisdictions (including the Canadian Securities Laws) such that the offer and sale of the Units does not obligate the Company to file a prospectus, registration statement or other offering document under applicable securities legislation. The Agent shall offer the Units for sale in the United States through its U.S. registered broker-dealer affiliate pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws and all such sales shall be carried out and completed in accordance with Schedule "A" annexed hereto.

(b) **Filings.** The Company undertakes to file, or cause to be filed, all forms or undertakings required to be filed by the Company in connection with the issue and sale of the Units (including a Form 45-106F1 and Form D with applicable Securities Regulators in Canada and the United States, respectively) so that the distribution of the Units to the Purchasers may lawfully occur without the necessity of filing a prospectus, registration statement or other offering document in Canada or the United States (but on terms that will permit the Units acquired by the Purchasers in the Selling Jurisdictions to be sold by such Purchasers at any time in the Selling Jurisdictions subject to applicable hold periods under Canadian Securities Laws, all applicable securities laws of the other Selling Jurisdictions and the provisions of paragraph 2 of this Agreement), and the Agent undertakes to use its commercially reasonable best efforts to cause Purchasers of Units to complete any forms required by Canadian Securities Laws or applicable securities laws of the other Selling Jurisdictions. All prescribed fees payable in connection with such filings shall be at the expense of the Company.

(c) **No Offering Memorandum.** Neither the Company nor the Agent shall: (i) provide to any prospective purchasers of Units any document or other material that would constitute an offering memorandum or future-oriented financial information within the meaning of Canadian Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Units, including any advertisement, article, notice or other communication published in any newspaper, magazine, printed public media, printed media or similar media, or broadcast over radio, television or telecommunications, including electronic display, or any seminar or meeting relating to the offer and sale of the Units whose attendees have been invited by general solicitation or advertising.

(d) **United States Offers and Sales.** Each of the Company and the Agent, on its own behalf and on behalf of its U.S. registered broker-dealer affiliate, agrees that the representations, warranties and covenants contained in Schedule "A" to this Agreement entitled "United States Offers and Sales" are incorporated by reference in, and shall form part of, this Agreement with respect to offers and sales of Units in the United States by the U.S. registered broker-dealer affiliate of the Agent. The Agent agrees, on its own behalf and on behalf of its U.S. registered broker-dealer affiliate, for the benefit of the Company to comply with the selling restrictions imposed by the laws of the United States and contained in Schedule "A" to this Agreement. Notwithstanding the foregoing provisions of this paragraph 1(d), the Agent will not be liable to the Company under this paragraph or Schedule "A" to this Agreement with respect to a violation by another member of the selling dealer group.

2. Covenants of the Company. The Company hereby covenants to the Agent, the Purchasers and their respective permitted assigns, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Units, that the Company shall:

(i) except to the extent the Company participates in a merger, business combination or going private transaction which is in the best interests of the Company and following which the Company is not a "reporting issuer", for a period of two years after the Closing Date, use its best efforts to remain a reporting issuer under Canadian Securities Laws in the provinces of Ontario, British Columbia and Alberta not in default of any requirement of the Canadian Securities Laws applicable in such jurisdictions;

(ii) except to the extent the Company participates in a merger, business combination or going private transaction which is in the best interests of the Company, for a period of two years after the Closing Date, use its best efforts to remain a corporation validly existing under the laws of its jurisdiction of incorporation, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable laws, rules and regulations of each such jurisdiction;

(iii) allow the Agent and its representatives the opportunity to conduct all due diligence which the Agent may reasonably require to be conducted prior to the Closing Date;

(iv) duly execute and deliver the Subscription Agreements, the certificates representing the Unit Shares, the Compensation Option Certificate and the Warrant Certificates at the Closing Time and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company;

(v) fulfil or cause to be fulfilled, at or prior to the Closing Date, each of the conditions applicable to the Company set out in Section 5;

(vi) ensure that, at the Closing Time, the Unit Shares are duly issued as fully paid and non-assessable shares in the capital of the Company and the Warrants are validly created and issued (having attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements) on payment of the purchase price therefor;

(vii) ensure that at all times prior to the expiry of the Warrants, a sufficient number of Warrant Shares are allotted and reserved for issuance upon the due exercise of the Warrants in accordance with their terms;

(viii) ensure that the Warrant Shares, upon the due exercise of the Warrants, shall be duly issued as fully paid and non-assessable shares in the capital of the Company on payment of the purchase price therefor;

(ix) ensure that, at the Closing Time, the Compensation Options shall be validly created and issued (having attributes corresponding in all material respects to the description set forth in this Agreement);

(x) ensure that at all times prior to the expiry of the Compensation Options, a sufficient number of Compensation Shares and Compensation Warrants are allotted and reserved for issuance upon the due exercise of the Compensation Options and a sufficient number of Compensation Warrant Shares are allotted and reserved for issuance upon due exercise of the Compensation Warrants;

(xi) ensure that the Compensation Shares and the Compensation Warrant Shares, upon the due exercise of the Compensation Options and Compensation Warrants, respectively, shall be duly issued as fully paid and non-assessable shares in the capital of the Company on payment of the purchase price therefor;

(xii) ensure that as soon as possible following the Closing Date, the Unit Shares are listed and posted for trading on the TSXV and, upon their respective dates of issuance, the Warrant Shares, the Compensation Shares and the Compensation

Warrant Shares, if and when issued, are listed and posted for trading on the TSXV;

(xiii) use its best efforts to maintain the listing of the Common Shares on the TSXV or the Toronto Stock Exchange (or such other recognized stock exchange or quotation system as the Agent may approve, acting reasonably) for a period of two years following the Closing Date;

(xiv) in connection with the issuance of the Units and the Compensation Options, execute and file with the Securities Regulators all forms, notices and certificates required to be filed pursuant to the Canadian Securities Laws or other applicable securities laws in the Selling Jurisdictions within prescribed time periods, including, for greater certainty, all forms, notices and certificates set forth in the opinions delivered to the Agent pursuant to Section 5 required to be filed by the Company;

(xv) consult in good faith with the Agent as to the content and form of any press release relating to the Offering;

(xvi) principally use the net proceeds of the Offering for the continued performance of due diligence investigations and procedures on potential or announced acquisition targets in Colombia, the establishment of Colombian operations and for other general and corporate purposes; and

(xvii) not issue or announce the issuance of any Common Shares or any securities convertible into or exchangeable for or exercisable to acquire Common Shares without the prior written consent of the Agent, such consent not to be unreasonably withheld, during a period commencing on the Closing Date and ending 120 days following the Closing Date, other than pursuant to: (i) this Agreement; (ii) currently outstanding rights, or agreements, including options, warrants and other convertible securities of the Company and any rights which have been granted or issued, subject to any necessary regulatory approval; (iii) currently outstanding options granted to officers, directors, employees or consultants of the Company or any subsidiary thereof pursuant to the Company's stock option plan (the "**Option Plan**"); (iv) the Option Plan; or (v) any *bona fide* arm's length acquisition of an interest in any mineral properties pursuant to which securities of the Company may be issued (including the proposed acquisition by the Company of Colombia Goldfields Ltd.).

3. (a) Representations and Warranties of the Company. The Company represents and warrants to the Agent, the U.S. registered broker-dealer affiliate of the Agent, and the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in connection with the Offering, that:

(i) the Company and each of the Material Subsidiaries has been duly incorporated and is validly existing under the laws of its jurisdiction of existence, has all requisite corporate power and authority and is duly qualified and possesses all material certificates, authorizations, permits and licences issued by the appropriate Governmental Authority necessary (and has not received or is not aware of any modification or revocation to such licences, authorizations, certificates or permits, except such modifications or amendments as are necessary for the conduct of their business) to carry on its businesses as now conducted and to own, lease or operate its properties and assets, except for those certificates, authorizations, permits and licenses the failure to obtain would not, individually or in the aggregate, have a Material Adverse Effect, and the Company has all requisite corporate power and authority to enter into this Agreement, the Subscription Agreements and the Warrant Certificates and to carry out its obligations hereunder and thereunder;

(ii) the Company has no direct or indirect subsidiaries or any investment or proposed investment in any person other than the subsidiaries as set out below (collectively, the "**Subsidiaries**" and each, a "**Subsidiary**"). The Company beneficially owns, directly or indirectly, the percentage indicated below of the issued and outstanding shares in the capital of each of the Material Subsidiaries, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands of any kind whatsoever, all of such shares have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares and no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from the Company or any Material Subsidiary of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of any of the Material Subsidiaries or any other security convertible into or exchangeable for any such shares:

Name	**Jurisdiction of Existence**	**Ownership Interest (Direct or Indirect)**
African Gold Resources S.A.	Panama	100%
Medoro Resources International Ltd.	British Virgin Islands	100%
Mineria MH, C.A.	Venezuela	100%
Medoro de Venezuela, C.A.	Venezuela	100%
Lo Increible Mining Company de Venezuela C.A.	Venezuela	100%
Los Mineros de El Callao, S.A.	Venezuela	92.3%
Gold Resources du Mali	Mali	100%
Medoro Mali SARL	Mali	100%
Medoro S.p.A.	Italy	99%
Barona Cape Ltd.	British Virgin Islands	100%
Copley Corporation S.A.	Dominican Republic	94%

(iii) other than the Material Subsidiaries, none of the Subsidiaries are currently material to the business or affairs of the Company;

(iv) at the Closing Time, all consents, approvals, permits, authorizations or filings as may be required under Canadian Securities Laws necessary for the execution and delivery of this Agreement, the certificates representing the Unit Shares, the Subscription Agreements, the Warrant Certificates and the Compensation Option Certificate, the issuance of the Unit Shares and Warrants comprising the Units, the Warrant Shares, the Compensation Options, the Compensation Shares and the Compensation Warrants comprising the Compensation Units and the Compensation Warrant Shares and the consummation of the transactions contemplated hereby and thereby will have been made or obtained, as applicable;

(v) each of the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Certificates and the Compensation Option Certificate, the performance by the Company of its obligations hereunder or thereunder, the issue and/or sale (as applicable) of the Unit Shares and Warrants comprising the Units, the Warrant Shares, the Compensation Options, the Compensation Shares and the Compensation Warrants comprising the Compensation Units and the Compensation Warrant Shares and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both), (A) any statute, rule or regulation applicable to the Company or any of its Material Subsidiaries including Canadian Securities Laws and the securities laws of any other Selling Jurisdiction, other than those which would not have a Material Adverse Effect; (B) the constating documents, by-laws or resolutions of the Company or any of its Material Subsidiaries which are in effect at the date hereof; (C) any Material Agreement to which the Company or any of its Material Subsidiaries is a party or by which any one of them is bound; or (D) any judgment, decree, order, rule, law or regulation binding the Company or any of its Material Subsidiaries or the material property or assets of the Company or any of its Material Subsidiaries;

(vi) except as disclosed in the Public Disclosure Documents and in this Agreement, the Company has not approved, entered into any agreement in respect of, or received any written notice with respect to, (A) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Company or any Material Subsidiary whether by asset sale, transfer of shares or otherwise; (B) the change of control of the Company or any Material Subsidiary (whether by sale or transfer of shares or sale of all or substantially all of the property and assets of the Company or any Material Subsidiary or otherwise); or (C) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Company;

(vii) the audited consolidated financial statements of the Company as at and for the year ended December 31, 2008 and the unaudited consolidated financial statements of the Company as at and for the three month period ended March 31, 2009 (collectively, the "**Financial Statements**") have been prepared in accordance with generally accepted accounting principles in Canada consistently applied throughout the periods referred to therein and present fully, fairly and correctly, in all material respects, the financial position (including the assets and liabilities, whether absolute, contingent or otherwise) of the Company and its Subsidiaries (on a consolidated basis) as at such dates and results of operations of the Company and its Subsidiaries (on a consolidated basis) for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Company and there has been no change in accounting policies or practices of the Company and its Subsidiaries since March 31, 2009;

(viii) the Company is in material compliance with all timely and continuous disclosure obligations under applicable Canadian Securities Laws in the provinces of British Columbia, Alberta and Ontario and the policies, rules and regulations of the TSXV and, without limiting the generality of the foregoing, there has been no adverse material change (actual, proposed or prospective, whether financial or otherwise) in the business, results of operations, assets, liabilities (contingent or otherwise) or capital or financial condition of the Company or its Material Subsidiaries since December 31, 2008 which has not been generally disclosed to the public and, except as disclosed in the Public Disclosure Documents, the Company and its Material Subsidiaries have carried on their respective businesses in the ordinary course since December 31, 2008;

(ix) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, customs duties and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable or required to be collected or withheld and remitted, by the Company and its Material Subsidiaries have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect or result in an adverse material change to the Company and its Material Subsidiaries, taken as a whole. All tax returns, declarations, remittances and filings required to be filed by the Company or its Material Subsidiaries have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading or have a Material Adverse Effect or result in an adverse material change to the Company and its Material Subsidiaries, taken as a whole. To the best knowledge of the Company, no examination of any tax return of the Company or any of its Material Subsidiaries is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by the Company or any of its Material Subsidiaries. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to the Company or any of its Material Subsidiaries;

(x) the Company has established on its books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no liens for Taxes on the assets of the Company or any of its Material Subsidiaries that are material, and there are no audits pending of the tax returns of the Company or any of its Material Subsidiaries (whether federal, state, provincial, local or foreign) and there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any governmental agency of any deficiency that would result in a Material Adverse Effect;

(xi) the Company's Auditors who audited the consolidated financial statements of the Company for the year ended December 31, 2008 and who provided their audit report thereon are independent public accountants as required under applicable Canadian Securities Laws;

(xii) there has never been a "reportable event" (within the meaning of National Instrument 51-102) with the present or former auditors of the Company;

(xiii) no holder of outstanding securities of the Company is entitled to any pre-emptive or any similar rights to subscribe for any Common Shares or other securities of the Company and no rights, warrants or options to acquire, or instruments convertible into or exchangeable for, any security in the capital of the Company are outstanding other than as set forth in Schedule "B";

(xiv) there is not, in the constating documents or by-laws of the Company or in any Material Agreement to which the Company is a party, any restriction upon or impediment to, the declaration of dividends by the directors of the Company or the payment of dividends by the Company to the holders of its Common Shares;

(xv) neither the Company nor any of its Material Subsidiaries is a party to, bound by or, to the knowledge of the Company, affected by any commitment, agreement or document containing any covenant which expressly and materially limits the freedom of the Company or any of its Material

Subsidiaries to compete in any line of business, transfer or move any of their respective assets or operations or which adversely materially affects the business practices, operations or condition of the Company and its Material Subsidiaries, taken as a whole;

(xvi) except as disclosed in the Venezuelan Opinion, no legal or governmental proceedings are pending to which the Company or any of its Material Subsidiaries are a party or to which their respective property is subject that would result in the revocation or modification of any material certificate, authorization, permit or license necessary to conduct the business now owned or operated by the Company or its Material Subsidiaries which, if the subject of an unfavourable decision, ruling or finding would have a Material Adverse Effect, and no such proceedings have been threatened against or, to the best knowledge of the Company, are contemplated with respect to the Company or any of its Material Subsidiaries or their respective properties;

(xvii) except as disclosed in the Venezuela Opinion, the Company and each of its Material Subsidiaries have conducted and are conducting their business in material compliance with all applicable laws and regulations of each jurisdiction in which they carry on business (including all applicable federal, provincial, municipal and local environmental, anti-pollution and licensing laws, regulations and other lawful requirements of any Governmental Authority, including relevant exploration and exploitation permits and concessions) except where the failure to so comply would not have a Material Adverse Effect and the Company and each of the Material Subsidiaries hold all material requisite licences, registrations, qualifications, permits and consents necessary or appropriate for carrying on its business as currently carried on and all such licences, registrations, qualifications, permits and consents are valid and subsisting and in good standing in all material respects. Without limiting the generality of the foregoing, except as disclosed in the Venezuela Opinion, neither the Company nor any of the Material Subsidiaries have received a written notice of non-compliance, nor know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits which would have a Material Adverse Effect and neither the Company nor any Material Subsidiary has received any written notice of proceedings relating to the revocation or adverse modification of any material mining or exploration permit or licence, nor has the Company or any Material Subsidiary received written notice of the revocation or cancellation of, or any intention to revoke or cancel, any mining claims, groups of claims, exploration rights, concessions or leases with respect to any of their properties;

(xviii) other than changes to Venezuelan Mining Law of 1999 which could have a Material Adverse Effect, the implications of which cannot be assessed at this time, the Company is not aware of any pending or contemplated change to any applicable law or regulation or governmental position that would materially adversely affect the business of the Company or any of its Material Subsidiaries or the business or legal environment under which the Company or any of its Material Subsidiaries operate;

(xix) this Agreement has been duly authorized, executed and delivered by the Company and, at the Closing Time, the Subscription Agreements, the Warrant Certificates and the Compensation Option Certificate shall have been duly authorized, executed and delivered and, upon such execution and delivery, each shall constitute valid and binding obligations of the Company and each shall be enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;

(xx) at the Closing Time, all necessary corporate action will have been taken by the Company to validly issue the Unit Shares and Warrants comprising the Units and the Compensation Options;

(xxi) upon the due exercise of the Warrants, the Compensation Options and the Compensation Warrants in accordance with the respective provisions thereof, the Warrant Shares, the Compensation Shares and the Compensation Warrant Shares, as applicable, will be validly issued as fully paid and non-assessable shares in the capital of the Company;

(xxii) the authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares of which, as of the date hereof (and prior to giving effect to this Offering), 157,488,091 Common Shares and no preferred shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Company;

(xxiii) the Company is a reporting issuer in the provinces of British Columbia, Ontario and Alberta and is not in default of any requirement of the Canadian Securities Laws of such jurisdictions, except for such defaults as would not individually or in the aggregate have a Material Adverse Effect, and the Company is not included on a list of defaulting reporting issuers maintained by any of the Securities Regulators of such jurisdictions;

(xxiv) all information which has been prepared by the Company relating to the Company and its Material Subsidiaries and their business, property and liabilities and either publicly disclosed or provided to the Agent, including all financial, marketing, sales and operational information provided to the Agent and all Public Disclosure Documents is, as of the date of such information, true and correct in all material respects and, as applicable, complies with

Canadian Securities Laws, and no fact or facts have been omitted therefrom which would make such information materially misleading;

(xxv) all filings and fees required to be made and paid by the Company pursuant to the Canadian Securities Laws and general corporate law have been made and paid, and such disclosure and filings were true and accurate in all material respects and did not contain any misrepresentation as at the respective dates thereof and the Company has not filed any confidential material change reports;

(xxvi) the Company and its Material Subsidiaries are in compliance with all laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages, except for such failures to comply as would not have a Material Adverse Effect. There is not currently any, or any reasonably foreseeable, labour disruption or conflict involving the Company or its Material Subsidiaries as would have a Material Adverse Effect;

(xxvii) none of the Company nor any of its Material Subsidiaries have any material loans or other indebtedness outstanding which has been made to any of their respective shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with the Company or any of its Material Subsidiaries;

(xxviii) the Transfer Agent, at its principal offices in the City of Toronto, Ontario has been duly appointed as transfer agent and registrar for the Common Shares;

(xxix) other than the Agent, there are no persons acting or purporting to act at the request or on behalf of the Company, that are entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement;

(xxx) other than the Company, there is no person that is or will be directly entitled to the proceeds from the sale of the Units pursuant to the Offering under the terms of any Debt Instrument, Material Agreement, mortgage, indenture, contract, instrument, lease agreement (written or unwritten) or otherwise;

(xxxi) except as disclosed in the Venezuelan Opinion, the Company and its Material Subsidiaries are in compliance with each material license and permit held by them and they are not in violation of, or in material default under, the applicable statutes, ordinances, rules, regulations, orders or decrees, including Environmental Laws (as defined below), of any Governmental Authority having, asserting or claiming jurisdiction over them or over any part of their operations or assets, except where such violation or default would not have a Material Adverse Effect;

(xxxii) except as disclosed in the Venezuelan Opinion, the Company and its Material Subsidiaries, (A) are in compliance with any and all applicable foreign, federal, provincial, state and local laws and regulations relating to the protection of human health and safety, conservation, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), except for such failures to comply as would not have a Material Adverse Effect, (B) have received all material permits, licenses or other approvals required of any of them under applicable Environmental Laws to conduct their business, and (C) are in compliance with all terms and conditions of any such permit, license or approval, except in each case for such permits, licenses, approvals or failures to comply that would not have a Material Adverse Effect;

(xxxiii) there have been no past, and there are no pending or, to the best knowledge of the Company, threatened claims, complaints, notices or requests for information received by the Company or any of its Material Subsidiaries with respect to any alleged violation of any Environmental Laws and no conditions exist at, on or under any property now or previously owned, operated, leased or contracted to perform work by the Company or its Material Subsidiaries which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Laws that, individually or in the aggregate, has or may reasonably be expected to have a Material Adverse Effect;

(xxxiv) there are no orders, rulings or directives issued, pending or, to the best of the knowledge of the Company, threatened against the Company or any of its Material Subsidiaries under or pursuant to any Environmental Laws requiring any work, repairs, construction or capital expenditures with respect to the property or assets of the Company or any of its Material Subsidiaries (including the Leased Premises) which would have a Material Adverse Effect;

(xxxv) the Company is not party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company or any of its Material Subsidiaries;

(xxxvi) other than as disclosed in or contemplated by the Public Disclosure Documents, the Company is not party to any material Debt Instrument or any agreement, contract or commitment to create, assume or issue any material Debt Instrument other than of the ordinary course of business and neither the Company nor any Material Subsidiary has made any loans to or guaranteed the obligations of any person;

(xxxvii) neither the Company, nor any of its Material Subsidiaries, nor, to the knowledge of the Company, any other person is in default in the observance or performance of any term or obligation to be performed by any one of them under their respective constating documents or any Material Agreement, or any other agreement to which the Company or any of its Material Subsidiaries are a party or by which their respective property may be bound, except for such defaults as would not have a Material Adverse Effect and no event has occurred which with notice or lapse of time or both would constitute such a default;

(xxxviii) the minute books and records of the Company and its Material Subsidiaries which the Company has made available to the Agent and its counsel, Wildeboer Dellelce LLP, in connection with their due diligence investigation of the Company for the period from inception to the date of examination thereof, are all of the minute books and substantially all the records of the Company and its Material Subsidiaries for such period and contain copies of all proceedings (or certified copies thereof) of the shareholders, the board of directors and all committees of the board of directors of the Company and its Material Subsidiaries to the date of review of such corporate records and minute books. There have been no other meetings, resolutions or proceedings of the shareholders, board of directors or any committees of the board of directors of the Company and its Material Subsidiaries during such period not reflected in such minute books and other records;

(xxxix) with respect to each of the Leased Premises, the Company and its Material Subsidiaries occupy the Leased Premises and have the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Company or its Material Subsidiaries occupy the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of the transactions described herein by the Company, will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases;

(xl) there are no actions, suits, judgments, investigations, proceedings or inquiries pending or, to the best knowledge of the Company, threatened against or affecting the Company or any of its Material Subsidiaries or their respective property or assets or their directors, officers or employees at law or in equity or before or by any Governmental Authority, court, commission, board, bureau, agency or instrumentality other than those that would not have a Material Adverse Effect and, to the knowledge of the Company, there is no basis therefor and neither the Company nor any Material Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may have a Material Adverse Effect or would adversely affect the ability of the Company to perform its obligations under this Agreement, the Subscription Agreements, the Warrant Certificates or the Compensation Option Certificate and, to the knowledge of the Company, there is no basis therefor;

(xli) there are no judgments against the Company or any of its Material Subsidiaries which are unsatisfied, nor are there any consent decrees or injunctions to which the Company is subject;

(xlii) the Company and its Material Subsidiaries are the absolute legal and beneficial owners of, and have good and marketable title to or leasehold interest in, all of the material property or assets thereof as described in the Public Disclosure Documents, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those described in the Public Disclosure Documents, and no other property rights are necessary for the conduct of the business of the Company and its Material Subsidiaries (taken as a whole) as currently conducted or contemplated to be conducted, the Company knows of no claim or basis for any claim that might or could adversely affect the right of the Company and any of its Material Subsidiaries to use, transfer or otherwise exploit such property rights and the Company and its Material Subsidiaries have no responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof, except as described in the Public Disclosure Documents;

(xliii) to the knowledge of the Company, the Company and its Material Subsidiaries hold either freehold title, mining leases, mining claims, mining and exploration licenses, property leases, or other conventional property, proprietary or contractual interests or rights, recognized in the jurisdiction in which a particular property is located in respect of the deposits, ore bodies and minerals located in properties material to the Company in which the Company and its Material Subsidiaries have an interest as described in the Public Disclosure Documents under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Company and its Material Subsidiaries to explore the deposits, ore bodies or other minerals relating thereto, free and clear of any liens, charges or encumbrances, all such property, leases or claims and all property, leases or claims in which the Company or its Material Subsidiaries have any interest or right have been validly located and recorded in accordance with all applicable laws and are valid and subsisting, the Company or its Material Subsidiaries have all necessary surface rights, access rights and other necessary rights and interest relating to the properties in which the Company or its Material Subsidiaries have an interest as described in the Public Disclosure Documents granting the Company or its Material Subsidiaries the right and ability to explore for minerals, ore and metals for development purposes as are appropriate in view of their respective rights and interests therein, and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above are currently in good standing in the name of the Company or its Material Subsidiaries;

(xliv) any and all of the agreements and other documents and instruments pursuant to which the Company and its Material Subsidiaries hold their material properties and assets (including any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, the Company and its Material Subsidiaries are not in default of any of the provisions of any such agreements, documents or instruments nor has any such default been alleged, other than those that would not have a Material Adverse Effect. To the knowledge of the Company, all such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all material leases, licences and claims pursuant to which the Company or the Material Subsidiaries derive the interests thereof in such property and assets are in good standing and there has been no material default under any such lease, licence or claim. None of the material properties (or any interest in, or right to earn an interest in, any property) of the Company and its Material Subsidiaries are subject to any right of first refusal or purchase or acquisition rights which are not disclosed in the Public Disclosure Documents;

(xlv) to the knowledge of the Company, all exploration activities by the Company or any Material Subsidiary on the properties in which they hold an interest have been conducted in all material respects in accordance with good exploration practices and all applicable workers' compensation and health and safety and workplace laws, regulations and policies have been complied with in all material respects;

(xlvi) there are no environmental audits, evaluations, assessments, studies or tests being conducted by the Company or any of the Material Subsidiaries or to the knowledge of the Company, by any third party, in connection with the material property or assets of the Company or any of the Material Subsidiaries or otherwise relating to the Company or any of the Material Subsidiaries except for ongoing assessments conducted by or on behalf of the Company in the ordinary course including ordinary audits required by applicable regulations in order to process environmental permits;

(xlvii) the Company has duly filed with the applicable regulatory authorities in compliance with Canadian Securities Laws all reports required by National Instrument 43-101 ("**NI 43-101**"), and all such reports were prepared in accordance with the requirements of NI 43-101 and there has been no change to the information set out in each such report of which the Company is aware that would disaffirm any aspect of such report in a materially adverse manner;

(xlviii) the currently issued and outstanding Common Shares are listed and posted for trading on the TSXV and no order, ruling or determination ceasing or suspending trading in any securities of the Company or prohibiting the trading of the Company's issued securities has been issued and no proceedings for such purpose has been instituted or are, to the knowledge of the Company, pending or threatened;

(xlix) all necessary notices and filings have been made with, and all necessary consents, approvals and authorizations obtained by the Company from, the TSXV to ensure that the Unit Shares, the Warrant Shares, the Compensation Shares and the Compensation Warrant Shares will be listed and posted for trading on the TSXV upon their issuance, subject to fulfilling the conditions contained in a letter from the TSXV dated July 17, 2009 in connection with the conditional acceptance of the Offering;

(l) neither the Company nor its Material Subsidiaries has taken any action which would be reasonably expected to result in the delisting or suspension from trading of the Common Shares on or from the TSXV or on or from any securities exchange, market or trading or quotation facility on which the Common Shares are then listed or quoted and the Company shall comply with the rules and regulations thereof;

(li) no proceedings have been taken, instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation of the Company or any Material Subsidiary;

(lii) the Unit Shares and Warrants comprising the Units, the Warrant Shares, the Compensation Options, the Compensation Shares and the Compensation Warrants comprising the Compensation Units and the Compensation Warrant Shares will not be subject to a restricted period or to a statutory hold period under Canadian Securities Laws or to any resale restriction under the policies of the TSXV which extends beyond four months and one day after the Closing Date;

(liii) the Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that, (A) transactions are executed in accordance with management’s general or specific authorization, and (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with Canadian generally accepted accounting principles and to maintain accountability for assets;

(liv) to the knowledge of the Company, none of the Company, its officers or directors is aware of any circumstances presently existing under which liability is or could reasonably be expected to be incurred under Part XXIII – *Civil Liability for Secondary Market Disclosure* of the *Securities Act* (Ontario); and

(lv) the closing of the Offering will not create a new “control person” as such term is defined in the TSXV corporate finance manual.

(b) **Representations, Warranties and Covenants of the Agent.** The Agent hereby represents, warrants and covenants to the Company and acknowledges that the Company is relying upon such representations and warranties, that:

(i) in respect of the offer and sale of the Units, it will comply with all Canadian Securities Laws and all applicable laws of the jurisdictions outside Canada in which it offers the Units and will offer the Units in the United States through its U.S. registered broker-dealer affiliate only on a basis exempt from the registration requirements under the U.S. Securities Act in accordance with the provisions of Schedule "A" to this Agreement;

(ii) it and its representatives have not engaged in or authorized, and will not engage in or authorize, any form of general solicitation or general advertising in connection with or in respect of the Units in any advertisement, article, notice or other communication published in any newspaper, magazine, or any similar media, or broadcast over radio or television or otherwise or conducted any seminar or meeting concerning the offer or sale of the Units whose attendees have been invited by any general solicitation or general advertising; and

(iii) it has not and will not solicit offers to purchase or sell the Units so as to require the filing of a prospectus, registration statement or offering memorandum with respect thereto or the provision of a contractual right of action (as defined in Ontario Securities Commission Rule 14-501) under the laws of any jurisdiction, including the United States of America or any state thereof.

4. Closing Deliveries. The purchase and sale of the Units shall be completed at the Closing Time at the offices of Blake Cassels & Graydon LLP in Toronto, Ontario, or at such other place as the Agent and the Company may agree upon. At or prior to the Closing Time the Company shall, subject to the provisions of Section 5, duly and validly deliver to the Agent the Compensation Option Certificate and certificates in definitive form representing the Unit Shares and the Warrant Certificates registered in the names of the Purchasers (or as indicated on their respective Subscription Agreements) and as directed by the Agent in the City of Toronto, against payment at the direction of the Company, in lawful money of Canada, by certified cheque, banker's draft or wire transfer payable at par in the City of Toronto, of an amount equal to the aggregate subscription price for the number of Units being issued and sold hereunder less the Commission and all of the estimated out-of-pocket expenses of the Agent payable by the Company to the Agent in accordance with Section 7.

5. Closing Conditions. Each Purchaser's obligation to purchase the Units at the Closing Time shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

(a) the Agent shall have received a certificate, dated as of the Closing Date, signed by the Chief Financial Officer and General Counsel and Secretary of the Company, or such other officers of the Company as the Agent may agree, certifying for and on behalf of the Company, to the best of their knowledge, information and belief after due inquiry, that:

(i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company (including the Common Shares) has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, are contemplated or threatened by any regulatory authority;

(ii) the Company has duly complied in all material respects with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time;

(iii) since December 31, 2008, (A) there has been no material adverse change (actual, proposed or prospective, whether financial or otherwise) in the business, business prospects, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company as of the date of this Agreement that has not been generally disclosed, and (B) no transactions have been entered into by the Company other than in the ordinary course of business, except as has been disclosed in the Public Disclosure Documents; and

(iv) the representations and warranties of the Company contained in this Agreement are true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement.

(b) the Agent shall have received at the Closing Time certificates dated the Closing Date, signed by appropriate officers of the Company and addressed to the Agent, with respect to the constating documents of the Company, all resolutions of the Company's board of directors relating to this Agreement and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers and such other matters as the Agent may reasonably request;

(c) the Agent shall have received at the Closing Time, evidence that all requisite approvals, consents and acceptances of the appropriate regulatory authorities and the TSXV required to be made or obtained by the Company in order to complete the Offering have been made or obtained;

(d) the Subscription Agreements, the certificates representing the Unit Shares, the Warrant Certificates and the Compensation Option Certificate shall have been executed or endorsed, as applicable and delivered by the parties thereto in form and substance satisfactory to the Agent and its counsel, acting reasonably;

(e) the TSXV has issued its conditional acceptance for the issuance of the Unit Shares, the Warrant Shares, the Compensation Shares and the Compensation Warrant Shares;

(f) the Agent shall have received a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at a date no more than two Business Days prior to the Closing Date;

(g) the Agent shall have received favourable legal opinions addressed to the Agent and the Purchasers dated the Closing Date, from counsel for the Company (it being understood that such counsel may rely to the extent appropriate in the circumstances, (i) as to matters of fact, on certificates of the Company executed on its behalf by a senior officer of the Company, (ii) as to the issued and outstanding capital of the Company, on a certificate or letter of the Transfer Agent; (iii) as to matters of fact not independently established, on certificates of the Company's auditors or a public official; and (iv) as to matters of law, with respect to consulting counsel in the applicable local jurisdictions) with respect to the following matters:

(i) as to the existence of the Company under the laws of the Yukon Territory;

(ii) that the Company has all requisite corporate power and capacity under the laws of the Yukon Territory to carry on its business as presently carried on and to own, lease and operate its properties and assets and to carry out its obligations under this Agreement, the Subscription Agreements, the Warrant Certificates and the Compensation Option Certificate and to issue the Unit Shares and the Warrants comprising the Units, the Compensation Options, the Compensation Shares and Warrant Shares comprising the Compensation Units and the Compensation Warrant Shares;

(iii) that the Company is a reporting issuer under the applicable Canadian Securities Laws of the provinces of British Columbia, Alberta and Ontario and is not on the list of defaulting issuers maintained under such legislation;

(iv) as to the authorized and issued share capital of the Company;

(v) that none of the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Certificates and the Compensation Option Certificate, the performance by the Company of its obligations hereunder and thereunder, or the sale or issuance of the Unit Shares and Warrants comprising the Units and the Compensation Options will conflict with or result in any breach of the constating documents of the Company, the resolutions of the directors and shareholders of the Company or applicable corporate law;

(vi) that each of this Agreement, the Subscription Agreements, the Warrant Certificates and the Compensation Option Certificate have been duly authorized and executed and delivered by the Company, and constitute a valid and legally binding obligation of the Company enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and the qualification that the enforceability of rights of indemnity and contribution may be limited by applicable law;

(vii) that, at the Closing Time, the Unit Shares have been duly issued as fully paid and non-assessable shares in the capital of the Company and that the Warrants have been validly created and issued;

(viii) that the Warrant Shares, upon the due exercise of the Warrants, will be validly issued as fully paid and non-assessable shares in the capital of the Company;

(ix) that, at the Closing Time, the Compensation Options have been validly created and issued;

(x) that, upon the due exercise of the Compensation Options, the Compensation Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company, and the Compensation Warrants will be validly created and issued;

(xi) that the Compensation Warrant Shares, upon the due exercise of the Compensation Warrants, will be duly issued as fully paid and non-assessable shares in the capital of the Company;

(xii) that the Transfer Agent has been appointed the transfer agent and registrar in respect of the Common Shares;

(xiii) the issuance and sale by the Company of the Units to the Purchasers and the issuance of the Compensation Options to the Agent is exempt from the prospectus and registration requirements of applicable Canadian Securities Laws and no documents are required to be filed (other than specified forms accompanied by requisite filing fees), proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Canadian Securities Laws to permit such issuance and sale;

(xiv) the issuance of the Warrant Shares upon exercise of the Warrants, the issuance of the Compensation Shares and Compensation Warrants upon the exercise of the Compensation Options and the issuance of the Compensation Warrant Shares upon the exercise of the Compensation Warrants is or will be exempt from the prospectus and registration requirements of applicable Canadian Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under applicable Canadian Securities Laws to permit such issuance and sale;

(xv) that no other documents will be required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Canadian Securities Laws in connection with the first trade of the Unit Shares or the Warrants comprising the Units, the Warrant Shares, the Compensation Options, the Compensation Shares and the Compensation Warrants comprising the Compensation Units and the Compensation Warrant Shares provided that four months and a day have lapsed since the Closing Date, subject to the usual qualifications;

(xvi) the TSXV has conditionally accepted the listing of the Unit Shares partially comprising the Units, the Warrant Shares issuable upon exercise of the Warrants, the Compensation Shares issuable upon the exercise of the Compensation Options and the Compensation Warrant Shares issuable upon exercise of the Compensation Warrants, subject to compliance with its conditions outlined in such conditional acceptance;

(xvii) as to the eligibility of the Unit Shares and Warrants comprising the Units and Warrant Shares as an investment for a RRSP, RRIF, DPSP and TFSA; and

(xviii) as to such other matters as the Agent's legal counsel may reasonably request prior to the Closing Time.

(h) the Agent shall have received a favourable legal opinion addressed to the Agent and the Purchasers from special United States counsel to the Company, Willkie Farr & Gallagher LLP, dated as of the Closing Date, in form and substance satisfactory to the Agent and its counsel, acting reasonably, to the effect that the issuance and sale of the Unit Shares and Warrants comprising the Units and the issuance of the Warrant Shares upon exercise of the Warrants by the Company in the United States or to U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) is not required to be registered under the U.S. Securities Act;

(i) the Agent shall have received a favourable legal opinion addressed to the Agent and the Purchasers from counsel to the Material Subsidiaries, dated as of the Closing Date (or such other date as is acceptable to the Agent), in form and substance satisfactory to the Agent and its counsel, acting reasonably, as to (i) the incorporation and existence of each of the Material Subsidiaries; (ii) the ability of each of the Material Subsidiaries to carry on its business as presently carried on and to own, lease and operate its properties and assets; (iii) the authorized capital and issued and outstanding share capital of each of the Material Subsidiaries; and (iv) as to the ownership of the issued and outstanding securities of each of the Material Subsidiaries;

(j) the Agent shall have received a favourable legal opinion addressed to the Agent and the Purchasers from Venezuelan counsel to the Company, dated as of the Closing Date, in form and substance satisfactory to the Agent and its counsel, acting reasonably, as to title to the Lo Increible Property (the "**Venezuelan Opinion**"), the form of which is attached hereto as Schedule "C";

(k) the Agent shall have received a certificate of status (or equivalent) with respect to the Company under the jurisdiction of its existence; and

(l) the Agent shall have completed and be satisfied, in its sole discretion, acting reasonably, with the results of its due diligence investigations regarding the Company, its business, operations and financial condition and market conditions at the Closing Time.

6. Rights of Termination

(a) **Due Diligence Out.** In the event that the due diligence investigations performed by the Agent and/or their representatives reveal any material information or fact not generally known to the public which might, in the sole opinion of the Agent, acting reasonably, materially adversely affect the market price of the securities of the Company, quality of the investment or marketability of the Offering, the Agent shall be entitled, at its sole option and in accordance with subparagraph 6(g) of this Agreement, to terminate its obligations under this Agreement (and the obligations of the Purchasers arranged by it to purchase the Units) by notice to that effect given to the Company any time prior to the Closing Time.

(b) **Litigation.** If any inquiry, action, suit, investigation or proceeding (including matters of regulatory transgression or unlawful conduct) is commenced in relation to, the Company or its Material Subsidiaries, or any of their respective officers, directors or principal shareholders, the Agent shall be entitled, at its sole option and in accordance with subparagraph 6(g) of this Agreement, to terminate its obligations under this Agreement (and the obligations of the Purchasers arranged by it to purchase the Units) by notice to that effect given to the Company any time prior to the Closing Time.

(c) **Disaster Out.** In the event that prior to the Closing Time, there should develop, occur or come into effect any event of any nature, including terrorism, accident, a new or change in any governmental law or regulation, or other condition or major financial occurrence of national or international consequence, which, in the sole opinion of the Agent, seriously adversely affects, or may seriously adversely affect, the financial markets generally or the business, operations, affairs or profitability of the Company or its Material Subsidiaries, taken as a whole, or on the market price or value of the securities of the Company, the Agent shall be entitled at its sole option, in accordance with subparagraph 6(g) of this Agreement, to terminate its obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Units) by written notice to that effect given to the Company prior to the Closing Time.

(d) **Change in Material Fact.** In the event that prior to the Closing Time, the Agent or the Agent's representatives, through their due diligence investigations, or otherwise discover or there should occur a material change or a change in any material fact or new material fact shall arise, which, in the reasonable opinion of the Agent, has or could be expected to have a significant adverse effect on the business, affairs or profitability of the Company and its Material Subsidiaries, taken as a whole, or on the market price or value of the securities of the Company, the Agent shall be entitled, at its sole option, in accordance with subparagraph 6(g), to terminate its obligations under this Agreement (and the obligations of the Purchasers arranged by it to purchase the Units) by written notice to that effect given to the Company prior to the Closing Time.

(e) **Non-Compliance With Conditions.** The Company and the Agent agree that all terms, conditions and covenants in this Agreement shall be construed as conditions and complied with so far as the same relate to acts to be performed or caused to be performed by the Company, as applicable, that they will each use their best efforts to cause such conditions to be complied with, and any material breach or failure by the Company to comply with any material conditions or in the event that any representation or warranty given by the Company becomes or is false and is not rectified as at the Closing Time, shall entitle the Agent, at its sole option in accordance with subparagraph 6(g), to terminate its obligations under this Agreement (and the obligations of the Purchasers arranged by it to purchase the Units) by notice to that effect given to the Company at or prior to the Closing Time. The Agent may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agent only if the same is in writing and signed by them.

(f) **Cease Trade Order.** In the event that any order to cease trading in securities of the Company is made or threatened by a Securities Regulator, which, in the sole opinion of the Agent, acting reasonably, operates or could operate to prevent or restrict trading in the securities of the Company or distribution or sale of the Units in the Selling Jurisdictions, or any other jurisdiction where Purchasers are resident the Agent shall be entitled, at its sole option, in accordance with subparagraph 6(g) of this Agreement, to terminate its obligations under this Agreement (and the obligations of the Purchasers arranged by it to purchase the Units) by written notice to that effect given to the Company prior to the Closing Time.

(g) **Exercise of Termination Rights.** The rights of termination contained in subparagraphs 6(a), (b), (c), (d), (e) and (f) may be exercised by the Agent and are in addition to any other rights or remedies the Agent may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination by the Agent, there shall be no further liability on the part of the Agent to the Company or on the part of the Company to the Agent except in respect of any liability which may have arisen or may arise after such termination in respect of acts or omissions prior to such termination under paragraphs 7 and 9.

7. Expenses. Whether or not the Offering or this Agreement is completed, the Company will pay: (i) all expenses of or incidental to the issue, sale and distribution of the Units; (ii) all costs incurred in connection with the preparation of documents and certificates relating to the Offering; and (iii) all reasonable fees and expenses incurred by the Agent, including the reasonable fees and disbursements (plus GST) of the Agent's legal counsel, up to a maximum of $40,000 (exclusive of disbursements and GST).

8. Survival of Representations and Warranties. All warranties and representations, herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the purchase and sale of the Units and continue in full force and effect for the benefit of the Agent and the Purchasers for a period of two years following the Closing Date and shall not be limited or prejudiced by any investigation made by or on behalf of the Agent in connection with the purchase and sale of the Units. Without any limitation of the foregoing, the provisions contained in this Agency Agreement in any way related to indemnification or contribution obligations shall survive and continue, in full force and effect, indefinitely.

9. (a) **Indemnity.** The Company hereby agrees to indemnify and hold the Agent and/or any of their respective affiliates (the "**Affiliates**") and each of the directors, officers, employees and shareholders of the Agent and/or the Affiliates (hereinafter collectively referred to as the "**Personnel**") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Agent and/or the Affiliates, to which the Agent and/or the Affiliates and/or the Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Company by the Agent and/or the Affiliates and the Personnel hereunder or otherwise in connection with the matters referred to in this Agreement, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

(i) the Agent and/or the Affiliates or the Personnel have been negligent or dishonest or have committed any fraudulent act or wilful misconduct in the course of such performance; and

(ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the negligence, dishonesty, wilful misconduct or fraud referred to in (i).

If for any reason (other than the occurrence of any of the events itemized in (i) and (ii) above), the foregoing indemnification is unavailable to the Agent and/or the Affiliates or insufficient to hold them harmless, then the Company shall contribute to the amount paid or payable by the Agent and/or the Affiliates as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and the Agent and/or the Affiliates on the other hand but also the relative fault of the Company and the Agent and/or the Affiliates, as well as any relevant equitable considerations; provided that the Company shall, in any event, contribute to the amount paid or payable by the Agent and/or the Affiliates as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the fees received by the Agent and/or the Affiliates hereunder pursuant to this Agreement.

The Company agrees that in case any legal proceeding shall be brought against the Company and/or the Agent and/or the Affiliates by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Company and/or the Agent and/or the Affiliates and any Personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Company by the Agent and/or the Affiliates under this Agreement, the Agent and/or the Affiliates shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agent and/or the Affiliates for time spent by its Personnel in connection therewith) and out-of-pocket expenses incurred by its Personnel in connection therewith shall be paid by the Company as they occur.

Promptly after receipt of notice of the commencement of any legal proceeding against the Agent and/or the Affiliates or any of its Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Company, the Agent and/or the Affiliates (or any one of them) will notify the Company in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Company, will keep the Company advised of the progress thereof and will discuss with the Company all significant actions proposed. The omission so to notify the Company shall not relieve the Company of any liability which the Company may have to the Agent and/or the Affiliates or any of its Personnel except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability which the Company would otherwise have under this indemnity had the Agent and/or the Affiliates or any of its Personnel not so delayed in giving or failed to give the notice required hereunder.

The Company shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel. Upon the Company notifying the Agent and/or the Affiliates or any of its Personnel in writing of its election to assume the defence and retaining counsel, the Company shall not be liable to the Agent and/or the Affiliates or any of its Personnel for any legal expenses subsequently incurred by them in connection with such defence. If such defence is assumed by the Company, the Company throughout the course thereof will provide copies of all relevant documentation to the Agent and/or the Affiliates or any of its Personnel, will keep the Agent and/or the Affiliates or any of its Personnel advised of the progress thereof and will discuss with the Agent all significant actions proposed.

Notwithstanding the foregoing paragraph, the Agent and/or the Affiliates or any of its Personnel shall have the right, at the Company's expense, to employ one counsel of the choice of the Agent and/or the Affiliates or any of its Personnel (which counsel will represent the Agent and its Affiliates and Personnel collectively) in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Company; or (ii) the Company has not assumed the defence and employed counsel therefor within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Company or the Agent and/or the Affiliates or any of its Personnel has advised the Agent that representation of both parties by the same counsel would be inappropriate for any reason, including without limitation because there may be legal defences available to the Agent and/or the Affiliates or any of its Personnel which are different from or in addition to those available to the Agent and/or the Affiliates or any of its Personnel (in which event and to that extent, the Company shall not have the right to assume or direct the defence on the their behalf) or that there is a conflict of interest between the Company and the Agent and/or the Affiliates or any of its Personnel or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events and to that extent, the Company shall not have the right to assume or direct the defence on the their behalf).

No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Agent. No admission of liability shall be made and the Company shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent.

The indemnity and contribution obligations of the Company shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to those of the Agent and/or the Affiliates and the Personnel who are not signatories hereto and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Company, the Agent and/or the Affiliates and any of the Personnel of the Agent and/or the Affiliates. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement.

(b) **Right of Indemnity in Favour of Others.** With respect to any party who may be indemnified by paragraph 9(a) above and is not a party to this Agreement, the Agent shall obtain and hold the rights and benefits of this paragraph 9 in trust for and on behalf of such indemnified party.

10. Compensation Options. In addition to the Commission, as consideration for the Agent's services in connection with the Offering, the Company hereby agrees to issue to the Agent on the Closing Date, such number of non-assignable Compensation Options (the "**Compensation Options**") as is equal to 6.0% of the aggregate number of Units issued under the Offering. Each Compensation Option shall be exercisable to acquire one Unit (a "**Compensation Unit**") of the Company at an exercise price equal to the Issue Price at any time, or from time to time, in whole or in part, until 5:00 p.m. (Toronto time) on the date that is two years following the Closing Date.

11. Advertisements. The Company acknowledges that the Agent shall have the right, subject always to clauses 1(a) and (c) of this Agreement, at their own expense, and subject to the prior approval of the Company, to place such advertisement or advertisements relating to the sale of the Units contemplated herein as the Agent may consider desirable or appropriate and as may be permitted by applicable law. The Company and the Agent each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration requirements of applicable Canadian Securities Laws or the securities legislation in any other jurisdiction in which the Units shall be offered or sold being unavailable in respect of the sale of the Units to prospective purchasers.

12. Notices. Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

(a) If to the Company, to:

Medoro Resources Ltd.
220 Bay Street
Suite 1400
Toronto, Ontario M5J 2W4

Attention: Peter Volk
Fax: (416) 360-7783

with a copy to:

Blake Cassels & Graydon LLP
199 Bay Street
Suite 2800, Commerce Court West
Toronto ON M5L 1A9

Attention: Ernest McNee
Fax: (416) 863-2653

(b) If to the Agent, to:

GMP Securities L.P.
145 King Street
Suite 300
Toronto, Ontario M5H 1J8

Attention: Eugene McBurney
Fax: (416) 943-6160

with a copy to:

Wildeboer Dellelce LLP
365 Bay Street
Suite 800
Toronto, Ontario M5H 2V1

Attention: Perry Dellelce
Fax: (416) 361-1790

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by facsimile transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by facsimile transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

13. Time of the Essence. Time shall, in all respects, be of the essence hereof.

14. Canadian Dollars. All references herein to dollar amounts are to lawful money of Canada.

15. Headings. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

16. Singular and Plural, etc. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

17. Entire Agreement. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including the engagement letter dated July 8, 2009. This Agreement may be amended or modified in any respect by written instrument only.

18. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Yukon Territory and the laws of Canada applicable therein.

20. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company, the Agent and the Purchasers and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.

21. Further Assurances. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

22. Effective Date. This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

23. Language. The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. Les parties reconnaissent avoir expressment demandées que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.

24. Counterparts. This Agreement may be executed in any number of counterparts and by facsimile, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement.

If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this letter where indicated below and delivering the same to the Agent.

Yours very truly,

GMP SECURITIES L.P.

Per: (Signed) *Eugene McBurney*
Authorized Signing Officer

The foregoing is hereby accepted on the terms and conditions therein set forth.

DATED as of July 22, 2009.

MEDORO RESOURCES LTD.

Per: (Signed) *Peter Volk*
Authorized Signing Officer

SCHEDULE "A"

UNITED STATES OFFERS AND SALES

As used in this Schedule "A", capitalized terms used herein and not defined herein shall have the meaning ascribed thereto in the Agency Agreement to which this Schedule "A" is annexed and the following terms shall have the meanings indicated:

(a) "**Directed Selling Efforts**" means directed selling efforts as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Units and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Units;

(b) "**Foreign Issuer**" means a foreign issuer as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Exhibit, it means any issuer which is (a) the government of any foreign country or of any political subdivision of a foreign country, or a national of any foreign country; or (b) a corporation or other organization incorporated under the laws of any foreign country, except an issuer meeting the following conditions: (1) more than 50 percent of the outstanding voting securities of such issuer are owned of record, either directly or indirectly, by residents of the United States; and (2) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;

(c) "**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act;

(d) "**Rule 144**" means Rule 144 adopted by the SEC under the U.S. Securities Act;

(e) "**SEC**" means the United States Securities and Exchange Commission;

(f) "**Selling Dealer Group**" means dealers or brokers other than the Agent and its U.S. affiliates who participate in the offer and sale of the Units pursuant to the Agency Agreement;

(g) "**Substantial U.S. Market Interest**" means substantial U.S. market interest as that term is defined in Regulation S;

(h) "**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

(i) "**U.S. Person**" means a U.S. person as that term is defined in Regulation S; and

<u>Representations, Warranties and Covenants of the Agent</u>

The Agent acknowledges that the Units, the Unit Shares and Warrants comprising the Units and the Warrant Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act and may be offered and sold within the United States or to, or for the account or benefit of, U.S. Persons only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act. Accordingly, the Agent (on its own behalf and on behalf of the U.S. registered broker-dealer affiliate of the Agent) represents, warrants and covenants to and with the Company that:

1. it has not offered or sold, and will not offer or sell, any Units except (a) in an offshore transaction in accordance with Rule 903 of Regulation S or (b) within the United States as provided in paragraphs 2 through 11 below. Accordingly, neither the Agent, nor its affiliates, nor any persons acting on its behalf, nor any member of the Selling Dealer Group have made or will make (except as permitted in paragraphs 2 through 11 below) (i) any offer to sell or any solicitation of an offer to buy, any Units to any U.S. Person or any Person in the United States, (ii) any sale of Units to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States and not a U.S. Person, or such agent, affiliate or person acting on behalf of either, reasonably believed that such purchaser was outside the United States and not a U.S. person, or (iii) any Directed Selling Efforts in the United States with respect to the Units;

2. it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Units, except with their affiliates, any members of the Selling Dealer Group or with the prior written consent of the Company. They shall require each member of the Selling Dealer Group to agree, for the benefit of the Company, to comply with, and shall use its best efforts to ensure that each member of the Selling Dealer Group complies with, the same provisions of this Schedule as apply to the Agent as if such provisions applied to such selling group member;

3. all offers and sales of Units in the United States shall be made through a U.S. registered broker-dealer affiliate in compliance with all applicable U.S. broker-dealer requirements;

4. offers and sales of Units in the United States shall not be made (i) by any form of general solicitation or general advertising (as those terms are used in Regulation D), including advertisements, articles, notices or other communications published in any newspaper, magazine, or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or (ii) in any manner involving a public offering within the meaning of Section 4(2) of the U.S. Securities Act;

5. any offer, sale or solicitation of an offer to buy Units that has been made or will be made in the United States or to U.S. Persons was or will be made only to Institutional Accredited Investors in accordance with the requirements of Rule 506 of Regulation D,

including the requirements set forth in Rule 502, in transactions that are exempt from registration under the U.S. Securities Act and applicable state securities laws;

6. the Agent acting through a U.S. registered broker-dealer affiliate, may offer the Units in the United States or to U.S. Persons only to offerees with respect to which the Agent has a pre-existing relationship and has reasonable grounds to believe are acquiring the Units for their own account and not with a view to distribution and are Institutional Accredited Investors and immediately prior to making any such offer and had reasonable grounds to believe and did believe that each offeree was an Institutional Accredited Investor, and on the date hereof, they continue to believe that each U.S. purchaser is an Institutional Accredited Investor;

7. prior to any sales of Units in the United States, it shall cause each U.S. purchaser thereof to sign and deliver a Subscription Agreement containing such representations, warranties and acknowledgements as may be necessary to ensure compliance with U.S. securities laws;

8. at least one day prior to completion of any sale at the Closing Time, it will provide the Company with a list of all purchasers of the Units in the United States;

9. it will inform, and cause the U.S. registered broker-dealer affiliate to inform, all purchasers of the Units in the United States that the Units have not been and will not be registered under the U.S. Securities Act (and may not be resold in the absence of an exemption from registration thereunder) and are being sold to them without registration under the U.S. Securities Act in reliance on Rule 506 of Regulation D; and

10. the Agent agrees that at the Closing Time, it, together with the U.S. registered broker-dealer affiliate, will provide a certificate, substantially in the form of Annex I to this Exhibit A, relating to the manner of the offer and sale of the Units in the United States.

11. none of the Agent, its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the Securities Exchange Act of 1934, as amended.

Representations, Warranties and Covenants of the Company

The Company represents, warrants, covenants and agrees that:

1. the Company is, and at Closing Time will be, a Foreign Issuer that reasonably believes that there is no Substantial U.S. Market Interest in any of its securities;

2. the Company is not, nor at the time or as a result of the sales of the Units contemplated hereby will it be, registered or required to register under United States Investment Company Act of 1940, as amended;

3. except with respect to offers and sales within the United States to Institutional Accredited Investors, in reliance upon Rule 506 of Regulation D, neither the Company nor any of its

affiliates, nor any person acting on its behalf, has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Units to a U.S. Person or a person in the United States; or (B) any sale of Units unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States and not a U.S. Person or (ii) the Company, its affiliates, and any person acting on their behalf reasonably believes that the purchaser is outside the United States and not a U.S. Person;

4. neither it nor any of its affiliates, nor any person acting on its or their behalf (i) has engaged in or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D) with respect to offers or sales of the Units in the United States, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio, or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising; or (ii) has acted or will act in any manner involving a public offering within the meaning of Section 4(2) of the U.S. Securities Act with respect to offers or sales of the Units in the United States;

5. except with respect to the offer and sale of the Units offered hereby and in accordance with Rule 506 of the U.S. Securities Act, the Company has not, since the date that was six months prior to the start of the offering, offered for sale or solicited any offer to buy any of its securities in the United States. In addition, the Company will not after the date hereof, sell, offer for sale or solicit any offer to buy any of its securities in the United States in a manner that would be integrated with the offer and sale of the Units such that it would cause the exemption from registration set forth in Rule 506 of Regulation D to become unavailable with respect to the offer and sale of the Units in the United States;

6. the Company will use its commercially reasonable efforts to qualify as a Foreign Issuer for a period of 24 months after the Closing Date; and

7. neither the Company nor any of its predecessors or affiliates has been subject to any order, judgment, or decrease of any court of competent jurisdiction, temporarily, preliminary or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

ANNEX I TO SCHEDULE "A"

AGENT'S CERTIFICATE

In connection with the private placement in the United States of Units of Medoro Resources Ltd. (the "**Company**") in the United States and to or for the account or benefit of U.S. Persons and Persons in the United States (the "**U.S. Purchasers**") pursuant to one or more Subscription Agreements dated as of July 22, 2009 and the Agency Agreement, the undersigned GMP Securities L.P. and Griffiths McBurney Corp. who has signed below in its capacity as placement agent in the United States for the Agent (the "**U.S. Placement Agent**"), do hereby certify as follows:

(i) the U.S. Placement Agent is duly registered as a broker-dealer under Section 15(b) of the U.S. Exchange Act, each state in which sales of Units were made (unless exempted from the respective broker-dealer registration requirements) and the Financial Industry Regulatory Authority, Inc. ("**FINRA**") and is in good standing with FINRA on the date hereof;

(ii) all offers and sales of Units in the United States were made by the U.S. Placement Agent in compliance with all applicable U.S. broker-dealer requirements;

(iii) no written material other than the Subscription Agreement, was used in connection with the offer and sale of the Units in the United States;

(iv) immediately prior to offering Units to such offerees in the United States, we had reasonable grounds to believe and did believe that each offeree was an "institutional accredited investor" of the type specified in Rule 501(a)(1), (2), (3) or (7) of Regulation D adopted pursuant to the United States Securities Act of 1933, as amended, (the "**U.S. Securities Act**") (an "Institutional Accredited Investor") and, on the date hereof, we continue to believe that each U.S. Purchaser purchasing Units through us, is an Institutional Accredited Investor;

(v) no form of general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act) was used, nor will be used, by us or our representatives, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Units in the United States or to U.S. persons;

(vi) the offering of the Units has been conducted by us in accordance with the Agency Agreement; and

(vii) prior to the sale of Units in the United States pursuant to Rule 506 of Regulation D, we caused each U.S. purchaser to execute a Subscription Agreement which includes a term sheet and containing such representations, warranties and acknowledgements as may be necessary to ensure compliance with U.S. securities laws and Rule 506 of Regulation D; and

(viii) all U.S. Purchasers have been informed that the Units have not been and will not be registered under the U.S. Securities Act (and may not be resold absent an exemption from registration thereunder) and the Units are being offered and sold to such Purchasers in reliance on an exemption from their registration requirements of the U.S. Securities Act and similar exemptions under applicable state securities laws.

Terms used in this certificate have the meanings given to them in the Agency Agreement unless defined herein.

DATED this ____ day of July, 2009

GMP SECURITIES L.P.	**GRIFFITHS McBURNEY CORP.**
By: ____________________________	By: ____________________________
Authorized Signing Officer	Authorized Signing Officer

SCHEDULE “B”

OUTSTANDING CONVERTIBLE SECURITIES

The outstanding convertible securities of the Company as of the date hereof are as described in note 4 to the consolidated unaudited financial statements of the Company for the three month period ended March 31, 2009.

SCHEDULE “C”

FORM OF VENEZUELAN OPINION