LAND RESERVATION AGREEMENT

THIS AGREEMENT made as of October 11, 2011 (the "**Effective Date**")

BETWEEN:

STEWART BULK TERMINALS LTD. #A0026608, a corporation incorporated under the laws of Canada and having its head office in Stewart, British Columbia, c/o P.O. Box 278, Stewart, BC V0T 1W0

("**Stewart Bulk**")

AND:

COPPER FOX METALS INC. a corporation having an office at Suite 640, 340 – 12th Avenue SW, Calgary, Alberta, T2R 1L5

(the "**Shipper**")

WHEREAS:

A. The Shipper proposes to build a copper phorphyry mine at Schaft Creek in northwest British Columbia (the "**Mine**") with an expected production date on or before January 31, 2020;

B. Stewart Bulk operates a bulk loading terminal (the "**Terminal Facility**", as defined herein) located at Stewart, British Columbia, to facilitate the storage and loading of concentrate onto ocean-going vessels;

C. The Shipper desires to enter into a Terminal Services Agreement with Stewart Bulk for the loading and shipping through the Terminal Facility of bulk concentrate from the Mine aboard ocean-going vessels and, in connection therewith, on the terms and conditions of this Agreement:

(a) the Shipper will reserve, in consideration of Quarterly Land Reservation Payments (as defined herein), a building site at the Terminal Facility from Stewart Bulk for the construction of a Warehouse Building (as defined herein) for the storage of concentrate from the Mine prior to loading aboard ocean-going vessels,

(b) the Shipper will construct the Warehouse Building, at its cost and expense, once the Mine is in operation, but prior to the Shipper making shipments of concentrate through the Terminal Facility, and

(c) Stewart Bulk will reimburse the Shipper for the Quarterly Land Reservation Payments and its cost of constructing the Warehouse Building through deductions applied against the handling charges charged to the Shipper under the Terminal Services Agreement;

D. The Parties agree that the Shipper will pay to Stewart Bulk Terminals Ltd. Quarterly Land Reservation Payments of [redacted]

NOW THEREFORE in consideration of the payments, premises, mutual covenants and agreements made by the parties under this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions

In this Agreement:

(a) "**Building Site**" means the proposed site for the Warehouse Building at the Terminal Facility located to the south and east of the existing Yukon Zinc Building and having a area of approximately [redacted], as shown outlined in yellow in **Appendix A** to this Agreement, or such other site at the Terminal Facility as may be mutually agreed by the parties.

(b) "**Construction Costs**" has the meaning set out in Paragraph 7(a)(ii).

(c) "**Construction Notice**" means the Shipper's written notice of its intention to commence construction of the Warehouse Building and the shipping of concentrate from the Terminal Facility commencing on or before January 31, 2020.

(d) "**Quarterly Land Reservation Payments**" has the meaning set out in Subsection 3(b).

(e) "**Terminal Facility**" means the lands, facilities and equipment owned, operated or otherwise used by Stewart Bulk to conduct the loading of concentrate onto ocean-going vessels at the Port of Stewart, British Columbia, including but not limited to a conveyor and loading berth.

(f) "**Terminal Services Agreement**" means an agreement mutually agreed between Stewart Bulk and the Shipper for the loading and shipping through the Terminal Facility of bulk concentrate from the Mine aboard ocean-going vessels, in substantially the form set out in **Appendix B** to this Agreement.

(g) "**Warehouse Building**" means a warehouse shed building meeting the requirements set out in this Agreement and located at the Terminal Facility for the storage of concentrate from the Mine prior to loading aboard ocean-going vessels.

Any other words defined elsewhere in this Agreement shall have the particular meaning assigned thereto.

2. Term of Agreement

(a) This Agreement shall commence on the Effective Date and shall remain in full force and effect until April 1, 2019, provided that if the Shipper provides Stewart Bulk with the Construction Notice on or before March 31, 2019 and the Warehouse Building is constructed in a timely fashion, this Agreement shall be automatically extended and remain in full force and effect thereafter until the Shipper permanently discontinues shipments of concentrate from the Terminal Facility or until the Terminal Services Agreement is terminated.

(b) If the Shipper has not provided the Construction Notice to Stewart Bulk on or before March 31, 2019, then this Agreement shall expire and Stewart Bulk shall have no further obligation to reserve the Building Site, and this Agreement shall terminate.

3. Land Reservation

(a) Stewart Bulk hereby agrees to hold and reserve, for the term of this Agreement, the Building Site for the construction of the Warehouse Building and the exclusive use thereof by the Shipper.

(b) The Shipper hereby agrees to pay to Stewart Bulk Terminals Ltd. on a calendar quarterly basis land reservation payments o[redacted]per calendar quarter (the "**Quarterly Land Reservation Payments**") to a cumulative maximum o[redacted] in accordance with the terms and conditions of this Agreement. The first Quarterly Land Reservation Payments shall be due and payable within seven (7) days after execution of this Agreement and thereafter on the first day of January, April, July and October of each calendar year.

(c) Stewart Bulk acknowledges and agrees that the land reservation rights granted to the Shipper under this Agreement shall be effective from the Effective Date for the duration of the term of this Agreement, as set out in Section 2.

(d) The Shipper acknowledges and agrees that Stewart Bulk shall not be obligated to repay any of the Quarterly Land Reservation Payments, except through deductions from the handling charges under the Terminal Services Agreement, as provided in Section 7.

(e) No interest shall be payable in respect of any Quarterly Land Reservation Payments repaid under this Agreement.

4. Warehouse Building

(a) If the Shipper desires to commence to construct the Warehouse Building, it must provide the Construction Notice to Stewart Bulk on or before March 31, 2019.

(b) The Warehouse Building shall comply with the following specifications and requirements:

(i) The Warehouse Building shall be constructed of concrete walls, concrete floor and a roof.

(ii) The Warehouse Building shall have a storage capacity of approximately [redacted]tonnes of concentrate.

(c) The Shipper shall be responsible for the design and construction of the Warehouse Building, at its cost and expense, including any costs of demolishing all or a portion of the existing storage shed on the Building Site, subject to reimbursement of all such costs and expenses through deductions from handling charges paid under the Terminal Services Agreement, as provided in Section 7.

(d) The Shipper may enter into a construction contract with Stewart Bulk or any third party for the construction of the Warehouse Building. In the event the Shipper enters into a construction contract with a third party for the construction of the Warehouse Building, the Shipper shall ensure that the construction of the Warehouse Building is completed within 18 months after the date of the Construction Notice. In the event that the Shipper enters into a construction contract with Stewart Bulk , Stewart Bulk will ensure that the construction of the Warehouse Building is completed within 18 months after the date of the Construction Notice, provided that the Shipper provides, on a timely basis, the necessary financing required by Stewart Bulk to construct the Warehouse Building.

(e) Completion of the Warehouse Building will take approximately 6 months to complete. Due to weather conditions, May to October would be the construction period for building the Warehouse Building. Depending on when the Warehouse Building needs to be ready, it may be necessary to do the construction over two seasons.

(f) The parties agree that the Shipper will be responsible for obtaining any necessary financing to construct the Warehouse Building and pay for its construction. It will be the responsibility of the Shipper to arrange financing in time to have the Warehouse Building constructed to meet its shipping schedule. In particular, if Stewart Bulk constructs the Warehouse Building, the Shipper will provide to Stewart Bulk, on a timely basis, the financing required by Stewart Bulk to construct the Warehouse Building within the time limits provided for in this Agreement.

(g) Notwithstanding any affixation of the Warehouse Building to the lands, the Shipper shall own all right title and interest in and to the Warehouse Building until the earlier of:

(i) the reimbursement in full of all Construction Costs through deductions from handling charges paid under the Terminal Services Agreement, as provided in Section 7;

(ii) the date the Shipper permanently discontinues shipments of concentrate from the Terminal Facility; or

(iii) the Terminal Services Agreement is terminated;

whereupon the legal and beneficial ownership of the Warehouse Building shall transfer to Stewart Bulk, provided that following the transfer of ownership for reimbursement of Construction Costs, the Shipper shall have an exclusive, paid-up licence to occupy and use the Warehouse Building until the Shipper permanently discontinues shipments of concentrate through the Terminal Facility or the Terminal Services Agreement is terminated.

(h) The Shipper will have the right to sell, assign, or transfer any and or all of its rights and entitlement inherent to this Agreement to any person pursuant to Section 15.

5. Terminal Services Agreement

The parties agree that they shall negotiate in good faith with a view to executing prior to the first shipments of concentrate to the Terminal Facility, a comprehensive Terminal Services Agreement, which shall include, without limitation, the following matters:

(a) terminal services;

(b) initial handling charges and periodic review and adjustment of handling charges;

(c) schedule of deliveries;

(d) moisture content in concentrate;

(e) services to be provided by Stewart Bulk and hours of operation;

(f) a storage capacity of [redacted] tonnes of concentrate provided to the Shipper at the Terminal Facility;

(g) loading the vessels, laytime, readiness of vessels;

(h) calculation of tonnes loaded;

(i) shortfall/minimum tonnage per year to be shipped by the Shipper;

(j) dispatch and demurrage;

(k) force majeure;

(l) termination of agreement;

(m) insurance; and

(n) arbitration.

The term of the Terminal Services Agreement shall remain in effect until the Mine is decommissioned or the Shipper otherwise permanently discontinues shipments of concentrate from the Terminal Facility.

6. Handling Charges

Provided that the Shipper provides the Constriction Notice to Stewart Bulk on or before March 31, 2019, Stewart Bulk hereby guarantees a handling charge of [redacted] per tonne for the loading of concentrate onto ocean-going vessels at the Terminal Facility up to and including January 31, 2020, and the Terminal Services Agreement shall provide for such handling charge.

7. Repayment of Quarterly Land Reservation Payments and Reimbursement of Construction Costs

(a) Notwithstanding the handling charges set out in Section 6 or subsequently negotiated by the parties, Stewart Bulk agrees to deduct from the handling charges in effect from time to time, the sum of [redacted] per tonne on account of:

(i) firstly, the repayment of the Quarterly Land Reservation Payments made by the Shipper under this Agreement to an aggregate of [redacted] and

(ii) thereafter, the reimbursement of the actual costs and expenses incurred by the Shipper to design and construct the Warehouse Building, including sales, harmonized or value-added taxes and regulatory or governmental fees and charges, but excluding financing charges (collectively, the "**Construction Costs**").

The foregoing deductions will continue until the Land Reserve Payments and the Construction Costs have been reimbursed in full to the Shipper.

(b) In the event that the Shipper permanently discontinues shipping concentrate through the Terminal Facility before the Shipper has been fully reimbursed for the Land Reserve Payments and the Construction Costs, the Shipper shall have no claim or demand against Stewart Bulk for any portion of the Land Reserve Payments or the Construction Costs which have not already been reimbursed to the Shipper. The Shipper acknowledges and agrees that the only obligation of Stewart Bulk to reimburse the Shipper for the Land Reserve Payments and the Construction Costs is to deduct from the applicable handling charge in effect from time to time the sum of [redacted] per tonne. The obligation to reimburse the Land Reserve Payments and the Construction Costs shall terminate upon the earlier of the Shipper either providing written notice to Stewart Bulk that it has permanently discontinued shipping concentrates through the Terminal Facility or, subject to Section 10 (Force Majeure), a period of six (6) months has lapsed from the Shipper's last shipment of concentrate through the Terminal Facility.

8. Time

Time is of essence of this Agreement.

9. Notices

Any notice, payment or other communication required or permitted to be given or served pursuant to this Agreement shall be in writing and shall be delivered personally or by courier, sent by facsimile transmission or forwarded by first class prepaid mail to the party concerned addressed as follows:

(a) if to Stewart Bulk:

Stewart Bulk Terminals Limited
P.O. Box 278
Stewart, British Columbia V0T 1W0

Attention: Mr. Dan Soucie

Fax: (250) 636-2348

with a copy to:

Warner Bandstra Brown
Barristers & Solicitors
200-4630 Lazelle Avenue
Terrace, British Columbia V8G 1S6

Attention: Don Brown

Fax: (250) 635-4998

(b) if to the Shipper:

Copper Fox Metals Inc.
650, 340 – 12th Avenue SW
Calgary, Alberta T2R 1L5

Attention: The President

Fax: (403) 264-2920

with a copy to:

Farris Vaughn Willis & Murphy LLP
Barristers & Solicitors
2500 – 700 West Georgia Street
Vancouver, British Columbia V7Y 1B3

Attention: R. Hector McKay-Dunn, Q.C.

Fax: (604) 661-9307

or, such other address as any party may have from time to time appoint by notice in writing to the other in accordance with this section. Any notice delivered by hand or courier, addressed as aforesaid, will be deemed to have been delivered on the day of delivery, delivery by facsimile is deemed to be personal service and is deemed to be received on the day of transmission, and any notice mailed by first class prepaid mail, addresses as aforesaid, will be deemed to have been received four (4) business days after posting but if at the time of posting or between the time of posting and the third business day thereafter there is a strike, lock-out or labour disturbance affecting postal service, then such notice will not be effectively given until actually received.

10. Force Majeure

Any delay in the performance of any of the duties or obligations of any party (except the payment of money due hereunder) caused by an event outside the affected party's reasonable control shall not be considered a breach of this Agreement, and unless provided to the contrary herein, the time required for performance shall be extended for a period equal to the period of such delay. Such events shall include without limitation, acts of God; insurrections; riots; embargoes; labour disputes, including strikes, lockouts, job actions, or boycotts; fires; explosions; floods; shortages of material or energy; delays in the delivery of raw materials, or other unforeseeable causes beyond the reasonable control and without the fault or negligence of the party so affected. In order to take the benefit of this section, the party so affected shall give prompt notice to the other party of such cause, and shall take whatever reasonable steps are necessary to relieve the effect of such cause as rapidly as reasonably possible. If either party is prevented by force majeure for more than one hundred-eighty (180) days from performing its obligations (other than financial) under this Agreement, either party may terminate the Agreement by serving the other party with written notice to that effect, provided however that Stewart Bulk may not do so if Shipper continues to make or has fully paid to Stewart Bulk, as the case may be, its Quarterly Land Reservation Payments pursuant to Subsection 3(b).

11. Further Assurances

The parties shall execute all other documents and instruments and do all other things necessary to implement and carry out the terms of this Agreement.

12. Governing Law

This Agreement is governed by British Columbia law and the laws of Canada applicable therein.

13. Relationship Of Parties

It is not the intent of either party to form any partnership or joint venture. Stewart Bulk and the Shipper shall, in relation to their respective obligations hereunder, act as independent contractors, and nothing in this Agreement shall be construed to give either Stewart Bulk or the Shipper the power or authority to act for, bind or commit the other in any way whatsoever.

14. Enurement

This Agreement is binding upon and enures to the benefit of the parties hereto and their respective successors and permitted assigns.

15. Assignment

Neither party shall assign this Agreement, in whole or in part, to any person without the prior written consent of the other parties, such consent not to be unreasonably withheld or delayed, provided that:

(a) either party may assign this Agreement, in whole or in part, without consent of the other party, to a successor to all or substantially all of the business and assets of the transferor, unless prohibited by applicable securities laws; and

(b) the Shipper may assign this Agreement to a contractor operating the Mine;

provided that written notice is delivered to the other parties. Any permitted assignee shall assume all obligations of its assignor under this Agreement. No assignment shall relieve any party of responsibility for the performance of any obligations which such party then has hereunder.

16. Counterparts

This Agreement may be entered into and executed by any party hereto by the signing of either the original or a counterpart. Any number of counterparts, which may or may not include the original of this Agreement when each has been executed by one or more parties hereto, shall constitute a binding agreement between the parties. When each party has executed at least one counterpart, this Agreement shall be as valid and effective as if every party had executed the same piece of paper. This Agreement or a counterpart may be delivered by fax sent by telecopier or by a scanned and electronically sent copy of any originally executed counterpart of this Agreement and shall be deemed, for all purposes, to be an original of this Agreement, and each so signed shall be deemed to be an original, and such copies together will constitute one and the same instrument.

17. Entire Agreement

This Agreement, including Appendices, constitutes the entire Agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise and no undertakings or agreements, verbal or otherwise, exist between the parties except as expressly set forth or referred to herein

18. Waiver

No waiver or modification of any of the terms of this Agreement shall be valid unless in writing and signed by authorized representatives of the parties hereto. Failure by any party to enforce any rights under this Agreement shall not be construed as a waiver of such rights, nor shall a waiver by any party in one or more instances be construed as constituting a continuing waiver or as a waiver in other instances.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized officers on the dates appearing below.

STEWART BULK TERMINAL LIMITED
by its authorized signatory:

By: ____________________
Name:
Title:

Date: ____________________

COPPER FOX METALS INC.
by its authorized signatory:

By: El B. Stewart
Name: ELMER B. STEWART
Title: PRESIDENT

Date: OCTOBER 11, 2011

By:
Name:
Title: EVP

Date: October 11/2011

18. Waiver

No waiver or modification of any of the terms of this Agreement shall be valid unless in writing and signed by authorized representatives of the parties hereto. Failure by any party to enforce any rights under this Agreement shall not be construed as a waiver of such rights, nor shall a waiver by any party in one or more instances be construed as constituting a continuing waiver or as a waiver in other instances.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized officers on the dates appearing below.

STEWART BULK TERMINAL LIMITED
by its authorized signatory:

By: Al. Soucie

Name: AL SOUCIE
Title: PRESIDENT

Date: OCTOBER 4, 2011

COPPER FOX METALS INC.
by its authorized signatory:

By:

Name:
Title:

Date:

By:

Name:
Title:

Date:

Appendix A
Proposed Building Site

Appendix B
Terminal Services Agreement

Stewart Bulk's standard form of Terminal Services Agreement is attached hereto.

TERMINAL SERVICES AGREEMENT

STEWART BULK TERMINALS LIMITED

AND

COPPER FOX METALS INC.

2011

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TERMINAL SERVICES AGREEMENT

THIS AGREEMENT is made as of _______________, 20______

BETWEEN:

COPPER FOX METALS INC. a corporation having an office at Suite 640, 340 – 12th Avenue SW, Calgary, Alberta, T2R 1L5

(the "**Shipper**")

AND:

STEWART BULK TERMINALS LIMITED, a corporation incorporated under the laws of Canada and having its head office in Stewart, British Columbia, Canada, 1105th Avenue, P.O. Box 278, Stewart, British Columbia, V0T 1W0

(the "**Terminal**")

WHEREAS:

(A) The Shipper proposes to build a mine in Northern, BC with an expected production date on or before January 31, 2020;

(B) The Shipper is desirous of shipping aboard ocean going vessels Concentrate (as hereinafter defined) produced from the Mine through the Terminal's facilities at Stewart, British Columbia; and

(C) The Terminal is desirous of receiving, holding and loading such Concentrate aboard ocean going vessels through its facilities at Stewart, British Columbia.

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties agree that:

1. INTERPRETATION

Definitions:

1.1 In this Agreement,

(a) "**Agreement**" means this agreement together with the Schedules hereto between the parties as amended from time to time.

(b) "**Calendar Quarter**" means a 3 month period commencing on any of January 1, April 1, July 1, or October 1;

(c) "**Certificate of Weight**" has the meaning provided in 7.1;

(d) “**Code of Safe Practice for Solid Bulk Cargoes**” means any policy, rule or regulation issued by Transport Canada or any other department of the Government of Canada under the authority of the Canada Shipping Act or any other act of Canada;

(e) “**Concentrate**” means concentrate produced at the Mine and delivered in bulk;

(f) “**Conveyor**” has the meaning provided for in 5.1(a);

(g) “**Day**” means a calendar day;

(h) **“Dollars” or “Currency or $”** means Canadian dollars unless otherwise stated;

(i) “**Event of Force Majeure**” has the meaning provided for in 10.1;

(j) “**Final Survey**” has the meaning provided for in 6.6;

(k) “**Force Majeure**” has the meaning provided for in Part 10;

(l) “**Handling Charge**” has the meaning provided for in 7.3(a);

(m) “**Initial Survey**” has the meaning provided for in 6.6;

(n) “**Initial Term**” has the meaning provided for in 3.2(b);

(o) “**Invoice**” has the meaning provided for in 7.2;

(p) “**Land Reservation Agreement**” means the land reservation agreement entered by the parties dated __________, 2011;

(q) “**Laytime**” has the meaning provided for in 6.2;

(r) “**Loading Berth**” has the meaning provided for in 5.3;

(s) “**Mine**” means the Shipper’s Shaft Creek Project Northern British Columbia;

(t) “**Minimum Contract Tonnage**” has the meaning provided for in 7.5(a);

(u) “**Month**” means a calendar month;

(v) “**Notice of Readiness**” has the meaning provided for in 6.1;

(w) “**Prime Rate**” means the annual floating rate of interest announced from time to time by the Royal Bank of Canada as a reference rate then in effect to determine rates of interest charged by it for Canadian dollar commercial loans to customers in Canada and designates as its “Prime Lending Rate”;

(x) “**Rate of Loading**” has the meaning provided for in 6.8;

(y) “**Shipment Commencement Date**” means the earlier of:

(i) the date that the first commercial quantities of the Concentrate arrive at the Terminal Facility; or

(ii) if the Shipper constructs the Warehouse Building, the date that is two (2) years after the date of the Construction Notice (as defined in the Land Reservation Agreement); or

(iii) if Stewart Bulk constructs the Warehouse Building, the date that is six (6) months after the date of completion of the Warehouse Building (provided that the Shipper provides Stewart Bulk with financing to construct the Warehouse Building on a timely basis). It is understood that the Shipment Commencement Date shall not be delayed because of the lack of or delay in the Shipper providing the necessary financing to Stewart Bulk to construct the Warehouse Building.

(z) "**Shortfall Payment**" has the meaning provided for in 7.5(a);

(aa) "**Shortfall Payment Date**" has the meaning provided for in 7.5(b);

(bb) "**Terminal Facility**" means all the facilities and equipment provided by the Terminal in order to meet its obligations under this Agreement and without limiting the generality of the foregoing includes the Conveyor, the Warehouse Building and the Loading Berth;

(cc) "**Tonne**" means a wet metric ton of 2,204.62 pounds avoirdupois;

(dd) "**Total Tonnage**" has the meaning provided for in 7.1;

(ee) "**Truck**" means any truck and/or trailer designed for the carriage of Concentrate from the Mine;

(ff) "**Vessel**" means a bulk ocean carrier vessel;

(gg) "**Warehouse Building**" has the meaning provided for in 5.2; and

(hh) "**Year**" means a calendar year.

Captions

1.2 The captions in this Agreement are inserted for reference and as a matter of convenience only and do not define, limit or enlarge the scope or meaning of this Agreement or any provision hereof;

Gender, Plural and Singular

1.3 In this Agreement, the masculine includes the feminine and neuter genders and the plural includes the singular and vice versa and modifications to the provisions of this Agreement may be made accordingly as the context requires.

Interpretation

1.4 Words like "herein", "hereunder" and other similar words refer to this Agreement as a whole, and are not limited to the particular section or part in which those words appear. All reference to section numbers refers, unless expressly stated otherwise, to the subparagraphs in this Agreement having those numbers.

Entire Agreement

1.5 This Agreement is the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions between the Parties whether written or unwritten. There are no warranties, representations, covenants or other agreements or obligations between the parties in connection with the subject matter hereof, except as specifically set forth herein.

2. SCHEDULES

2.1 No schedules are to form part of this Agreement.

3. SERVICES AND TERMS OF AGREEMENT

3.1 The Terminal shall, as of the Shipment Commencement Date and thereafter:

(a) maintain the immediate road access to the Terminal Facility not otherwise maintained by any municipal, provincial, federal or other authority in a manner suitable to allow for the delivery of Concentrate by Truck to the Terminal Facility in all weather conditions.

(b) provide the Warehouse Building specified herein for Concentrate delivered to the Terminal Facility and maintain the Warehouse Building.

(c) deliver from the Warehouse Building and load on vessels the Concentrate received at the Terminal Facility for the account of the Shipper; and

(d) perform in connection with the services enumerated in clauses (a) through (c) above, all other services that are reasonably necessary or incidental thereto and normally performed by terminal operators.

Term of Agreement

3.2 (a) **Effective Date:** This Agreement is effective as of the date hereof but operations hereunder shall commence on the Shipment Commencement Date.

(b) **Term:** The initial term ("**Initial Term**") of this Agreement is for the period expiring on March 31, 2020. Assuming that the Warehouse Building is constructed pursuant to the Land Reservation Agreement, the term of this Agreement shall be extended automatically for successive renewal terms of five (5) contract years or such other period as the parties may mutually agree to in writing provided that such extended term shall not extend beyond the life of the Mine.

4. DELIVERY

Schedule of Deliveries

4.1 When reasonably possible the Shipper shall notify the Terminal of the proposed schedule for delivery of Concentrate to the Terminal Facility and the loading of such Concentrate of vessels at least 15 days before the beginning of each year. At least 7 days before the beginning of each month ("**Delivery Notification Date**"), the Shipper shall when reasonably possible notify the Terminal of its planned schedule for the delivery of Concentrate to the Terminal Facility during that month. On the Delivery Notification Date the Shipper shall also give the Terminal notice, to the extent of the Shipper's knowledge of these facts on this date, of any vessels which shall be arriving at the Terminal Facility during that month, and the approximate quantity of Concentrate to be loaded to the Vessels, and shall thereafter keep the Terminal advised of any changes. Providing that notwithstanding the above, the Shipper shall give the Terminal at least twenty-four (24) hours notice of the docking time of any Vessel.

Delivery Obligations

4.2 The Shipper shall use reasonable efforts to deliver Concentrate to the Terminal Facility which is not agglomerated, and which shall be unfrozen, free of foreign materials and suitable to receiving, storing and loading, it being acknowledged by the parties that weather and other conditions can affect the condition of the Concentrate. To the extent that the Shipper fails to use such reasonable efforts under this 4.2, the Terminal's sole and exclusive remedy shall be the recovery of charges pursuant to 7.3(b).

Moisture Content of Concentrate

4.3 The Shipper shall ensure that the Concentrate delivered to the Terminal Facility has a moisture content that allows it to be loaded onto a Vessel.

Dumping Procedures

4.4 Dumping of Concentrate at the Terminal Facility shall take place in accordance with procedures established from time to time by the Terminal. Truckers employed by the Shipper shall dump the Concentrate as directed by the Terminal.

5. THE FACILITY

Terminal Facility

5.1 The Terminal shall provide and maintain at its expense a terminal facility located at Stewart, British Columbia, containing all facilities, equipment and personnel required to receive, store and load Concentrate to Vessels. Without limiting the generality of the foregoing, the Terminal shall provide and maintain at its expense:

(a) a Concentrate conveyor handling system (the "**Conveyor**") capable of ship loading Concentrate to Vessels at the Rate of Loading;

(b) a Warehouse Building, as hereinafter described, always available to receive Trucks at any time of any day including Saturdays, Sundays and statutory holidays provided that the Shipper shall provide 8 hours notice if there shall be no shipping and specify the period of time during which no shipping shall occur and during the period specified in such notice, the Terminal shall not be required to have personnel available to receive Trucks.

Warehouse Building

5.2 (a) Pursuant to the Land Reservation Agreement, the Terminal has reserved [redacted] of space for the construction of a new Warehouse Building capable of storing approximately [redacted] Tonnes of concentrate (the "**Warehouse Building**"). The cost to construct the Warehouse Building will be paid for by the Shipper, subject to reimbursement as provided herein. The Terminal agrees to deduct [redacted] per Tonne from the [redacted] per Tonne Handling Charge, to reimburse the Shipper for the cost of constructing the Warehouse Building. This deduction will continue until the Warehouse Building costs have been reimbursed in full to the Shipper. The Terminal is only obligated to repay the actual building cost to construct the Warehouse Building which cost will not include any other cost incurred by the Shipper pertaining to the Warehouse Building including but not limited to financing costs.

(b) If the Shipper should cease shipping Concentrate to the Terminal before the Shipper has been reimbursed for the construction of the Warehouse Building, the Terminal shall retain any balance still outstanding and the Shipper shall have no claim against the Terminal for any balance of the Warehouse Building construction costs. The Shipper acknowledges and agrees that the only method for the Shipper being reimbursed for the Warehouse Building cost is the [redacted] per Tonne deduction from the Handling Charge.

(c) Except as expressly provided under the Land Reservation Agreement, the Terminal shall be the legal and beneficial owner of the Warehouse Building.

Loading Berth

5.3 The Terminal shall provide and maintain at its expense, a safe Loading Berth capable of loading [redacted] Tonnes to Vessel per day, weather permitting (no Laytime to be counted due to interruptions because of weather). In addition, the Loading Berth shall have a ship loader with an outreach of no less than 83 feet (collectively herein after referred to as the "**Loading Berth**").

Access to Terminal Facility

5.4 The Shipper shall have reasonable access at its own risk and expense to the Terminal Facility. Without limiting the generality of the foregoing, the Shipper or its agents may at the Shipper's sole cost and expense in such a manner as does not unduly interfere with the conduct of the business of the Terminal in the ordinary course:

(a) Inspection of the Warehouse Building;

(b) Inspect and/or sample Concentrate;

(c) Weigh or survey Concentrate;

(d) Survey or inspect the Vessel;

(e) attend at the loading of Vessel.

6. LOADING TO VESSELS

Notice of Readiness

6.1 A notice of a Vessel's readiness to enter the Loading Berth (the "**Notice of Readiness**") shall be tendered by a Vessel before or after its arrival at the Terminal Facility and shall be accepted by the Terminal between 0800 and 1700 hours, Monday to Friday, and between 0800 and 1200 hours, Saturday and Sunday ("**Office Hours**"), except the Terminal shall not load any Vessels on Christmas Day nor accept a Notice of Readiness on Christmas Eve or Christmas Day. Notice of Readiness may be given to the Terminal at the Terminal Facility or may be given to the Terminal at the Terminal Facility in advance by radio. Vessels giving Notice of Readiness shall, subject to the terms of this Agreement, be loaded in order of actual arrival at the Terminal Facility. For greater certainty, if Vessels of the Shipper and other shippers using the Terminal Facility arrive at the Terminal Facility at or about the same time, the Vessels shall be loaded in order of actual arrival at the Terminal Facility. Laytime shall commence at 0800 the next working day if Notice of Readiness is presented during Office Hours. If the Vessel commences loading prior to the commencement of Laytime as calculated above then the actual time used in loading prior to the commencement of Laytime shall count as Laytime for the purpose of calculating demurrage or dispatch.

Laytime

6.2 "**Laytime**" shall mean the actual number of hours taken by the Terminal to load a Vessel subject to the following:

(a) subject to Vessel readiness and weather permitting, Laytime shall commence after the Notice of Readiness has been accepted at the times as provided for in 6.1;

(b) Laytime shall not commence until the Vessel is ready as required by 6.3 and the Terminal shall have the final decision, acting reasonably, whether a Vessel is ready for loading;

(c) Laytime shall not include any interruptions to loading that are caused by the readiness of the Vessel or weather; and

(d) The Terminal shall have the final decision, acting reasonably, whether weather is a factor in loading.

Readiness of Vessels

6.3 The Shipper shall require all Vessels, prior to beginning loading of Concentrate, to have:

(a) all hatches opened and beams removed by the Vessel's crew;

(b) all shifting boards, if required, in position and to have been surveyed by the Vessel's crew, or their agent;

(c) completion of the Initial Survey, as defined in 6.6; and

(d) all Canada Customs requirements have been satisfied by the Vessel. In the event the Vessel is not in compliance with this 6.3, Terminal's sole and exclusive remedy shall be the right to require the Vessel to leave the Loading Berth pursuant to 6.4 and no Laytime shall be counted.

Refusal by Terminal of a Vessel

6.4 The Terminal shall have the right to refuse a Vessel the right to remain in the Loading Berth where a Vessel is not in all material respects ready to commence and continue loading to completion. A Vessel which has been required to leave the Loading Berth by the Terminal must resubmit a Notice of Readiness pursuant to 6.1.

Trimming

6.5 The Terminal shall stow the Concentrate on board the Vessel spout trimmed. The Terminal shall provide without charge mechanical trimming to Vessels when in the reasonable judgment of the Terminal or the master of the Vessel such trimming is required to load Concentrate to the Vessel or to ensure the safety of the Vessel.

Draft Surveys

6.6 A draft survey of each Vessel, at the Shipper's expense, shall be made before the commencement of loading and shall be completed as soon as possible after the Vessel has arrived at the Loading Berth and in any event shall be completed within two hours of the Vessel tying up at the Loading Berth (the "**Initial Survey**"). A draft survey of each Vessel, at the Shipper's expense, shall also be made after loading is completed (the "**Final Survey**").

6.7 The Initial Survey and Final Survey shall be taken by a marine surveyor designated by the Shipper and acceptable to the Terminal provided acceptance may be given on a continuing basis, subject to notice or revocation.

Minimum Tonnes Loaded

6.8 The Terminal shall load Concentrate at a minimum rate of loading ("**Rate of Loading**") equal to [redacted] Tonnes per hour, provided that in the event of a deficient loading rate the Shipper's sole and exclusive remedy shall be a demurrage penalty in accordance with 7.7.

7. CHARGES

Calculations of Tonnes Loaded

7.1 The tonnages loaded shall be determined from the Initial Survey and the Final Survey. A certificate of weight ("**Certificate of Weight**") prepared by the aforementioned marine surveyor shall be prepared and shall be the basis for determining the tonnage loaded to a Vessel (the "**Total Tonnage**"). The Terminal may have a representative of its own choosing present at all times when weights are being computed or calculated. The Shipper shall cause the marine surveyor to deliver copies of the Initial Survey, Final Survey and Certificate of Weight, promptly upon completion of the Final Survey, to the Shipper and the Terminal.

Invoices

7.2 The Terminal shall deliver an invoice (the "**Invoice**") to the Shipper for Handling Charges (accounting for the reimbursement provided in 5.2(a)) after the Concentrate has been loaded onto the Vessel in accordance with this Agreement. All Invoices shall be accompanied by copies of the Ocean Bill of Lading related to the Concentrate loaded on the vessel and Certificate of Weight evidencing the Total Tonnage upon which the Invoice is based. The Shipper shall pay all Invoices within 15 days after receipt thereof. The amount of any Invoices not paid by the Shipper within 30 days of date sent shall bear interest from the date of the Invoice at the Prime Rate plus 2% annum.

Handling Charges

7.3 The Shipper shall pay to the Terminal, for all services rendered by the Terminal pursuant to this Agreement, the following charges:

(a) a handling charge o[redacted] per Tonne (the "**Handling Charge**"), subject to the reimbursement provided in 5.2(a); and

(b) the cost of any additional equipment and labour which may be reasonably required to handle Concentrate due to its freezing, agglomeration or abnormal moisture content as established by the Code of Safe Practice for Solid Bulk Cargoes. Any obligation on the Shipper to pay any amounts under this 7.3(b) is subject to the Terminal first receiving prior written consent of the Shipper for these expenditures, which consent shall not be unreasonably withheld, except in emergency situations in which the Terminal has been unable to contact the Shipper despite its reasonable efforts to do so.

7.4 The Terminal shall guarantee to the Shipper the Handling Charge at a rate o[redacted] per Tonne for the Initial Term. The Handling Charge for any subsequent term of this Agreement shall be reviewed and negotiated by the Terminal and the Shipper, each acting in good faith, every three (3) years; such revised Handling Charge shall be effective for a period of three (3) years, with the first such period commencing on April 1, 2020 and thereafter for each three (3) year period commencing on the third anniversary thereof. If the parties have not agreed on or before January 31st of the year during which the revised Handling Charge will take effect, then Stewart Bulk and the Shipper agree that such revised Handling Charge shall be determined by binding arbitration pursuant to Part 16. The parties acknowledge and agree that the Handling Charge in effect from time to time shall be payment in full for all terminal services, including use and occupancy of the Warehouse Building, as the case may be.

Shortfall

7.5 Subject to 10.4:

(a) if the Shipper does not, commencing the Shipment Commencement Date, deliver or cause to be delivered Concentrate and Vessels to the Terminal Facility in such quantity or number that would allow the Terminal to load a minimum of[redacted] Tonnes of concentrate in a Calendar Quarter (the "**Minimum Contract Tonnage**"), the Shipper shall pay to the Terminal, in addition to the handling charges for Concentrate actually loaded, the amount obtained by multiplying [redacted] per Tonne by the amount by which the Minimum Contract Tonnage exceeds the actual number of Tonnes loaded to Vessels during the Calendar Quarter (the "**Shortfall Payment**"). In the event that the Minimum Contract Tonnage is not loaded to Vessels in any Calendar Quarter, the Terminal's sole and exclusive remedy shall be the Shortfall Payment;

(b) the Shortfall Payment shall be made within 30 days after the end of the Calendar Quarter in which the shortfall occurred (the "**Shortfall Payment Date**"). The amount of any Shortfall Payment not paid by the Shipper within 30 days as required under this 7.5(b), shall bear interest from the Shortfall Payment Date at the Prime Rate plus 2% per annum; and

(c) this 7.5 is effective as of the Calendar Quarter in which the Shipment Commencement Date falls. The Minimum Contract Tonnage shall be prorated if the Shipment Commencement Date does not correspond with the commencement of the Calendar Quarter.

Calculation of Rate of Loading

7.6 In order to determine the Rate of Loading, the Total tonnage loaded on board a Vessel shall be divided by the number of hours of Laytime used.

Bonus or Penalty

7.7 If when loading Concentrate to a Vessel, the Rate of Loading is greater than what is required in the shipping contract, the Terminal shall receive [redacted] of dispatch, if any, earned by the Shipper. Similarly, the Terminal shall pay [redacted] of demurrage to a maximum of [redacted] dollars if loading time takes longer than allowed in the charter party/shipping contract between the Shipper and the Vessel owner. The Shipper covenants and agrees that it shall not agree to a Rate of Loading in the charter party/shipping contract that is greater than [redacted] tonnes per hour.

Payment of HST Tax

7.8 HST or GST payable, if any, as a result of the performance of Terminal's obligations under this Agreement shall be paid by the Shipper when due, provided that the Shipper shall not be liable to payment of any penalty if any invoice therefore is delivered to the Shipper less than 30 days prior to the deadline for payment. All payments by the Shipper pursuant to this 7.8 shall be in addition to any Handling Charges pursuant to 7.3.

8. COVENANTS OF TERMINAL

General Liability

8.1 The Terminal shall:

(a) protect the Concentrate by exercising such care in regards to the Concentrate as a reasonable owner of such Concentrate would exercise in like circumstances;

(b) prevent any loss, degradation or contamination of the Concentrate by exercising such care in regard to the Concentrate as a reasonable owner of such Concentrate would exercise in like circumstances.

Ownership of Concentrate

8.2 Concentrate is owned by the Shipper at all times. The Terminal shall not permit the creation of or suffer the existence of liens or encumbrances on Concentrate created by the Terminal. The Terminal irrevocably agrees for the benefit of the Shipper what while such Concentrate is at the Terminal Facility, the Terminal shall take such reasonable action as is required to preserve and continue in full force and effect the rights of the Shipper in and to the Concentrate; that such rights shall continue to be the same as if such Concentrate remained on site at the Mine, and that such rights shall take precedence over the rights of any creditors of the Terminal and the right s of any other parties who use the Terminal Facility.

9. INDEMNITY

Terminal's Indemnity

9.1 The Terminal shall indemnify the Shipper and its directors, officers, employees, agents, affiliates and contractors from and against all demands, claims, damages, losses, cause of action, actions, inquiries, prosecutions, costs, charges and expenses of every kind and nature, including reasonable legal costs arising out of any action brought by anyone who is not a party to this Agreement including, without limiting the generality of the foregoing, damage to a Vessel or the Terminal Facility, arising as a result of the performance or non-performance of the obligations of the Terminal under this Agreement, or any default or breach by the Terminal under the terms of this Agreement, or arising as a result of any negligent act or omission or wilful misconduct of the Terminal relating to the subject matter of this Agreement.

Shipper's Indemnity

9.2 The Shipper shall indemnify the Terminal and its directors, officers, employees, agents and contractors from and against all demands, claims, damages, losses, cause of action, actions, inquiries, prosecutions, costs, charges and expenses of every kind and nature, including reasonable legal costs arising out of any action brought by anyone who is not a party to this Agreement arising as a result of the performance or non-performance of the obligations of the Shipper under this Agreement, or any default or breach by the Shipper under this Agreement, or arising as a result of any negligent act or omission or wilful misconduct of the Shipper relating to the subject matter of this Agreement.

Delay and Demurrage

9.3 The Terminal shall not be responsible for any Vessel delay or demurrage or loss of dispatch earning except as provided in 7.7.

10. FORCE MAJEURE

10.1 An "**Event of Force Majeure**" means any cause or circumstance not within the reasonable control, directly or indirectly, of the Shipper or the Terminal including without limiting the generality of the foregoing, any acts of God, storm, earthquake, flood, fire, lightning, war (declared or undeclared), hostilities, national emergency, civil disturbance or commotion, insurrection, strike, lockout, labour disturbance or industrial action (including those involving its own employees), embargo, blockade, import restriction, epidemic, landslide or explosion, government order, or regulation or other act of the public authority (except where the order or act results from a party's own acts or omissions or its failure to comply with applicable laws or applicable permits), provided that an Event of Force Majeure shall not include circumstance or cause resulting from the fault or negligence of the party or a failure to perform its obligations under this Contract including a failure to properly plan or carry out its obligations in accordance with the terms hereof, or an event or circumstance which by the exercise of reasonable diligence could have been avoided or from a lack of funds.

10.2 On occurrence of an Event of Force Majeure, all obligations hereunder may be suspended or reduced during the period of such interference without liability for any resulting incomplete fulfillment of the obligations imposed by this Agreement; provided that the party so disabled shall promptly give the other party notice of such situation and use its best effort to remove the cause or disability as soon as possible, and meanwhile to minimize its effects.

10.3 Notwithstanding anything to the contrary, elsewhere herein expressed or implied, if either party is prevented, in whole or in part by reason of Force Majeure, from complete or partial performance of its obligations under this Agreement, such failure to perform shall not be deemed to be a breach of the obligations of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder if and when such cause or causes, and the effects thereof, shall have been remedied provided that:

(a) financial inability shall not constitute Force Majeure;

(b) if either party is prevented by Force Majeure for more than one hundred-eighty (180) days from performing its obligations (other than financial) under this Agreement, either party may terminate the Agreement by serving the other party with written notice to that effect, provided however that the Terminal may not do so if the Shipper elects to make payments to the Terminal pursuant to 7.3; and

(c) if and so often as either party is affected in the performance of its obligations by Force Majeure, such party shall serve the other party, without delay, written notice at the beginning and end of such Force Majeure has occurred and the nature thereof, and that the effect of such Force Majeure condition has ended.

Reduction in Minimum Contract Tonnage

10.4 The Minimum Contract Tonnage in any year pursuant to 7.5 shall be reduced by an amount equal to the Minimum Contract Tonnage multiplied by a fraction, the numerator of which is the number of days during with Force Majeure continues, and the denominator or which is 365.

11. TERMINATION OF AGREEMENT

11.1 The Terminal may terminate this Agreement:

(a) if the Shipper institutes proceedings for its winding up, liquidation, or dissolution or consents to the filing of any petition by any person with respect thereto or files a petition and answer or consent seeking reorganization, readjustment, arrangements, composition or similar relief under any applicable law or consents to the filing of any such petition or to the appointment of a receive, liquidator, trustee or similar officer of itself or any part of its property or makes an assignment for the benefit of creditors or is unable, or admits in writing its inability, to pay its debts as they become due or otherwise acknowledges its insolvency or is deemed for the purpose of any applicable law to be insolvent or voluntarily suspends transaction of its usual business or any action is taken by any person in furtherance of any of the aforesaid purposes or if any person takes any action pursuant to the *Winding-Up Act (Canada)*; or

(b) if any application is made with respect to the Shipper under the *Companies' Creditors Arrangement Act* (Canada) or if a proceeding is instituted for the winding up of the Shipper or a petition in bankruptcy is presented against the Shipper under a bankruptcy or similar act and if in any such case such application, proceeding or petition is not dismissed, stayed or withdrawn within 30 days of the Shipper receiving notice or otherwise having knowledge of the institution thereof; or

(c) if the Shipper gives notice of Force Majeure and the Force Majeure continues for a period in excess of 180 days and the Shipper does not elect to make payment to the Terminal pursuant to 7.5; or

(d) if the Shipper defaults in the performance of any of its obligations hereunder, including making any payment due to the Terminal hereunder, and such default continues for a period of 90 days from delivery by the Terminal to the Shipper of written notice of default or demand for the payment; or

(e) if the Shipper does not commence deliveries of Concentrate prior to the Shipping Commencement Date and does not elect to make payments to the Terminal pursuant to 7.5, and such default continues for a period of 90 days after the Shipping Commencement Date.

11.2 The Shipper may terminate this Agreement:

(a) if the Terminal institutes proceedings for its winding up, liquidation, or dissolution or consents to the filing of any petition by any person with respect thereto or files a petition or answer or consent seeking reorganization, readjustment, arrangements, composition or similar relief under any applicable law or consents to the filing of any such petition or to the appointment of a receiver, liquidator, trustee or similar office of itself or any part of its property or makes an assignment for the benefit of creditors or is unable , or admits in writing its inability, to pay its debts as they become due or otherwise acknowledges its insolvency or is deemed for the purposes of any applicable law to be insolvent or voluntarily suspends transaction of its usual business or any action is taken by any person in furtherance of any of the aforesaid purposes or if any person takes any action pursuant to the *Winding-Up Act* (Canada); or

(b) if any application is made with respect to the Terminal under the *Companies' Creditors Arrangement Act* (Canada) or if a proceeding is instituted for the winding up of the

Terminal or a petition in bankruptcy is presented against the Terminal under a bankruptcy or similar act and if in any such case such application, proceeding or petition is not dismissed, stayed or withdrawn within 10 days of the Terminal receiving notice or otherwise having knowledge of the institution thereof;

(c) by written notice to the Terminal, if the Terminal gives notice of Force Majeure and the Force Majeure continues for a period in excess of 180 days; or

(d) if the Terminal defaults in the performance of any of its obligations hereunder and such default continues for a period of 90 days from delivery by the Shipper to the Terminal of written notice of default.

12. INSURANCE

Insurance Provided by the Terminal

12.1 At all times during the term of this Agreement, the Terminal shall maintain and pay for the following insurance in respect of its performance of its obligations under this Agreement:

(a) Comprehensive General Liability Insurance covering the activities of the Terminal with a limit of not less than [redacted] per occurrence. This insurance shall include:

(i) premises and operations,

(ii) owners and contractors protective,

(iii) non-owned automobile,

(iv) contingent employer's liability,

(v) personal injury,

(vi) employees as additional insureds, and

(vii) extended bodily injury and property damage definition; and

(b) Terminal Operators Legal Liability Insurance (Warehouseman's Legal Liability/Stevedoring Liability) for an amount sufficient to cover all Concentrate in the care, custody or control of Terminal at any one time. This insurance shall include:

(i) damage to Vessels, including demurrage and/or detention arising from damage to Vessels, and

(ii) loss of or damage to Concentrate.

12.2 Each policy referred to in 12.1 shall:

(a) include the Shipper as additional named insured;

(b) be primary;

(c) contain a waiver of subrogation against the parties insured;

(d) have deductibles in amounts reasonably acceptable to the Shipper;

(e) provide for at least 30 days advance written notice to the Shipper prior to cancellation or material change;

(f) include coverage for sudden and accidental pollution;

(g) include coverage for removal of wreckage; and

(h) contain a cross liability clause.

12.3 Evidence of the Terminal's placement of its insurance coverage in the form of a Certificate of Insurance shall be delivered to the Shipper on or before the Shipment Commencement Date and the Terminal shall from time to time deliver to the Shipper a Certificate of Insurance showing that such insurance remains in effect and providing that it shall not be cancelled or modified without 30 days prior written notice to Seller. The Shipper's approval of the terms of any insurance shall be deemed conclusive failing notice to the Terminal of particulars of any objection given within thirty (30) days of delivery to the Shipper of those terms.

Other Insurance

12.4 All Risks Property Damage on the Terminal Facility shall be the responsibility of the Terminal not the Shipper. The Shipper shall maintain for its own account, insurance against risk of loss or damage to the Concentrate while stored and handled at the Terminal Facility.

13. ALTERATION TO AGREEMENT

13.1 No alteration or amendment to this Agreement takes effect unless it is in writing duly executed by each of the parties hereto, provided that no alteration or amendment applies retroactively.

14. ASSIGNMENT

14.1 This Agreement is binding upon and ensures to the benefit of the parties hereto and their respective successors and permitted assigns. Neither the Terminal nor the Shipper shall assign this Agreement without the prior written consent of the other, such consent not be withheld or delayed unreasonably, provided that the proposed assignee first agrees in writing to be bound by all the terms and conditions of this Agreement.

15. CONFIDENTIALITY

15.1 The Terminal shall use all confidential or proprietary information and trade secrets ("**Confidential Information**") related to the business of the Shipper for the purpose of carrying out the services hereunder and for no other purpose and shall hold the Confidential Information in confidence and shall not disclose the same to any other party without the prior written consent of the Shipper.

16. ARBITRATION

16.1 Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be referred first to senior management of the parties for amicable resolution. In the event that amicable resolution is not possible, then the dispute shall be referred to mediation. Any disputes incapable of being resolved through mediation and arising out of or in connection with this Agreement may be referred by the parties and finally decided by binding arbitration under the *Commercial Arbitration Act* (British Columbia) by a single arbitrator having experience in the mining and shipping industries and mutually agreed by the parties in accordance with the arbitration rules of the British Columbia International Commercial Arbitration Centre then in force. Judgement upon the award rendered may be entered in any court having jurisdiction. The arbitrator shall have the right to order discovery as he or she deems appropriate. The prevailing party in any arbitration or legal action arising out of or related to this Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses incurred in such arbitration or action, including court costs and reasonable lawyer's fees. The place of arbitration shall be Vancouver, British Columbia and the language of arbitration shall be English.

17. GENERAL

Capacity

17.1 The Shipper and the Terminal each represent and warrant to the other that it has the corporate power and capacity to enter into, perform and complete this Agreement.

Time

17.2 Time is of essence for this Agreement.

Notices

17.3 Any notice, payment or other communication required or permitted to be given or served pursuant to this Agreement shall be in writing and shall be delivered personally, sent by facsimile transmission or forwarded by first class prepaid mail to the party concerned addressed as follows:

(a) if to the Terminal:

Stewart Bulk Terminals Limited
P.O. Box 278
Stewart, British Columbia V0T 1W0

Attention: Mr. Al Soucie

Fax: (250) 636-2348

(b) if to the Shipper:

Copper Fox Metals Inc.
Suite 640, 340 – 12th Avenue SW
Calgary, Alberta T2R 1L5

Attention: The President

Fax: (403) 264-2920

or to any other address as may from time to time be notified in writing by any of the parties hereto. Any notice, payment or other communication shall be deemed to have been given, if delivered by hand, on the day delivered, if by facsimile transmission, on the next business day following transmission, and if mailed, four business days following the date of posting, provided that if there shall be at the time of mailing or within four (4) business days thereof a mail strike, slow down or other labour dispute that might affect delivery by the mail, then the notice, payment or other communication shall be effective only when actually delivered.

Further Assurances

17.4 The parties shall execute all other documents and instruments and do all other things necessary to implement and carry out the terms of this Agreement.

Governing Law

17.5 This Agreement is governed by British Columbia law and the laws of Canada applicable therein.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their proper officers duly authorized on the dates appearing below.

STEWART BULK TERMINAL LIMITED by its authorized signatory:	**COPPER FOX METALS INC.** by its authorized signatory:
By: ______________________	By: ______________________
Name: Title:	Name: Title:
Date: ______________________	Date: ______________________
	By: ______________________
	Name: Title:
	Date: ______________________