

**QUEENSLAND MINERALS LTD.**

**- and -**

**DUNAV HOLDINGS COOPERATIEF U.A.**

**- and -**

**DUNDEE PRECIOUS METALS INC.**

**- and -**

**DUNDEE MOLY COMPANY d.o.o.**

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**OPTION AND ACQUISITION AGREEMENT**

October 4, 2010

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**CASSELS BROCK & BLACKWELL LLP**

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## OPTION AND ACQUISITION AGREEMENT

**THIS AGREEMENT** is made as of October 4, 2010, between **Queensland Minerals Ltd.** ("**Queensland**"), a company incorporated under the laws of British Columbia, **Dunav Holdings Cooperatief U.A.**, a company incorporated under the laws of the Netherlands (the "**Purchaser**"), **Dundee Precious Metals Inc.**, a company incorporated under the laws of Canada (the "**Vendor**" or "**DPM**"), and Dundee Moly Company d.o.o., a company incorporated under the laws of the Republic of Serbia ("**DPM Subco**").

### **RECITALS:**

**WHEREAS** the Vendor is the sole registered and beneficial owner of all of the issued and outstanding shares in the capital of Ivanhoe Balkans Ltd. ("**BVI Co.**"), a corporation incorporated under the laws of the British Virgin Islands;

**AND WHEREAS** BVI Co. is the indirect sole shareholder of DPM Subco;

**AND WHEREAS** DPM Subco is the sole registered or recorded owner of record of certain mining exploration licenses comprising the mineral projects located in the Republic of Serbia known as the "Surdulica Molybdenum project", the "Tulare Cu/Au project" and the "Karmanica Au project" (collectively, the "**Mineral Projects**");

**AND WHEREAS** the Purchaser is an indirect wholly-owned subsidiary of Queensland;

**AND WHEREAS** pursuant to an amended and restated letter of intent dated August 9, 2010, DPM agreed to grant Queensland an option to acquire, indirectly through a subsidiary of Queensland, a 100% interest in the Mineral Projects by way of transfer, upon satisfaction of the conditions of the option and certain other conditions, of all of the issued and outstanding shares of BVI Co.

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **Section 1.1 Definitions**

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings, respectively:

"**Affiliate**" with respect to any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, where "**control**" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities or otherwise;

**"Agreement", "this Agreement", "herein", "hereto", and "hereof"** and similar expressions refer to this option and acquisition agreement and all schedules attached to this Agreement, as the same may be amended or supplemented from time to time;

**"Ancillary Agreements"** means each of (i) the Participation Agreement entered into between DPM and Queensland on the date hereof; (ii) the standstill agreement to be entered into between DPM and Queensland on the Closing Date in the form set out in Schedule "A"; and (iii) the qualification rights agreement to be entered into between DPM and Queensland on the Closing Date in the form set out in Schedule "B";

**"Avala"** means Avala Resources d.o.o., a corporation incorporated under the laws of the Republic of Serbia;

**"Business Day"** means any day excepting a Saturday or Sunday or a day recognized as a holiday in Toronto, Ontario, or Vancouver, British Columbia, or Road Town, British Virgin Islands;

**"BVI Co."** has the meaning given in the recitals of this Agreement;

**"BVI Company Costs"** means all costs and expenses incurred and expended by DPM in connection with BVI Co. and ISHCL during the Interim Period, including any costs and expenses relating to DPM's reporting requirements in connection with such companies and any costs, fees and expenses in connection with capitalization, banking, wire transfer fees, and legal fees incurred by DPM for purposes of complying with the provisions of Section 2.6;

**"Closing"** means the completion of the purchase and sale of the Purchased Shares on the Closing Date;

**"Closing Date"** means the date that is 20 Business Days after the Option Exercise Date, subject to any extension in accordance with the terms hereof, or such other date as may be agreed upon in writing by the Parties;

**"Closing Documents"** means all of the documents listed in Section 5.1 and Section 5.2, to be delivered by each of the Parties at the Closing Time pursuant to this Agreement;

**"Closing Time"** means 5:00 p.m. (Toronto time) on the Closing Date or such other time as may be agreed upon in writing by the Parties;

**"Consideration Units"** means such number of Queensland Units representing a percentage of the issued and outstanding Queensland Shares equal to the DPM Percentage, to be calculated and issued by Queensland to DPM in accordance with the provisions of Section 3.3 as consideration for the acquisition by Queensland of the Purchased Shares under this Agreement;

**"Debt Instrument"** has the meaning given to such term in Section 6.1(mm);

**“Delegation Services Agreement”** means the agreement between Queensland, Avala, DPM and DPM Subco, entered into and dated the date hereof, pursuant to which Queensland delegated to Avala some of its functions as Operator under this Agreement;

**“DPM Percentage”** means 47.5%, calculated and adjusted in accordance with the provisions of Section 3.3;

**“DPM Subco”** has the meaning given to such term in the preamble of this Agreement;

**“DPM Subco Financial Statements”** has the meaning given to such term in Section 6.2(i);

**“DPM Subco Services Agreement”** means the management services agreement executed and dated the date hereof between DPM Subco, Avala and Queensland for the conduct of operations by Avala (on behalf of Queensland) on the Properties;

**“Dundee Group”** means the meaning given to such term in Section 7.5(2);

**“Environmental Laws”** means any applicable Laws aimed at reclamation or restoration of the Mineral Projects, abatement of pollution, protection of the environment, protection of wildlife, including endangered species, ensuring public safety from environmental hazards, protection of cultural and historic resources, management, storage or control of hazardous materials and substances, releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances as wastes into the environment, including without limitation, ambient air, surface water and groundwater, and all other applicable Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes;

**“Equity Securities”** means all shares and all other securities or interests of a body corporate of any kind or class which confer on the holders thereof one or more of the following rights:

- (i) to vote for the election of directors either under all circumstances or in certain circumstances whether or not such circumstances exist or have occurred; or
- (ii) to receive the remaining property of the body corporate upon dissolution; or
- (iii) to receive any dividend or similar distribution from the body corporate,

and includes (unless expressly provided to the contrary) (i) any securities or interests of a body corporate which are convertible into, exchangeable for, or that carry a right to purchase one or more such shares or other securities or interests of such body corporate, and (ii) any options, rights, warrants or subscription privileges issued or granted by a body corporate (whether or not currently exercisable or exercisable on

conditions) to acquire one or more such shares or other securities, interests or such convertible securities of such body corporate;

**"Exercise Threshold Date"** means March 31, 2011;

**"Governing Documents"** means, in respect of each Party and each of the Target Entities, its governing documents, including, as applicable, its certificate and articles of incorporation, as amended, articles of association, as amended, and all similar articles, and its by-laws, as amended;

**"Governmental Authority"** means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the TSX Venture Exchange;

**"IFRS"** means International Financial Reporting Standards;

**"Interim Financing"** means a non-brokered private placement of Queensland Units raising gross proceeds of at least \$4,000,000 at a price of \$0.30 per unit, each such Queensland Unit being comprised of one Queensland Share and one Queensland Share purchase warrant exercisable for a period of 24 months from closing of the Interim Financing (subject to accelerated expiry in accordance with their terms) at an exercise price of \$0.42 per Queensland Share, or such private placement being otherwise on terms satisfactory to DPM, acting reasonably;

**"Interim Period"** means the period from and including the date hereof to and including the Closing Date;

**"in writing"** means written information including documents, files, software, records and books made available, delivered or produced to one Party by or on behalf of the other Party;

**"ISHCL"** means Ivanhoe Serbia Holding Company Ltd., a corporation incorporated under the Laws of the British Virgin Islands and the sole registered and beneficial owner of all of the issued and outstanding shares in the capital of DPM Subco;

**"Laws"** means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies, forms and guidelines, fee schedules, tariffs, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, directives, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, statutory body (including the TSX Venture Exchange) or self regulatory authority, and the term **"applicable"** with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities;

**“Lien”** means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that, in substance, secures payment or performance of an obligation;

**“Losses”** means any loss, liability, damage, cost, expense, charge, fine, penalty, or assessment resulting from or arising out of any action, suit, proceeding, investigation, demand, assessment, claim, judgement, settlement or compromise, whether at law or in equity, including the costs and expenses of any action, suit, proceeding, investigation, demand, assessment, claim, judgement, settlement or compromise, whether at law or in equity (including reasonable legal fees and expenses); but excluding any indirect, consequential, special, punitive, or exemplary damage, including, but not limited to, loss of profit or revenue, reduced cash flow, interference with operations or loss of lenders, investors or buyers;

**“Material Adverse Change”** when used in connection with a Person, means any change, event, violation, inaccuracy or circumstance in the financial condition, operations, assets, liabilities, or business of such Person and its Affiliates, considered as a whole, which is or would reasonably expected to be, materially adverse to the business, assets, liabilities, financial condition or results of operations of such Person and its Affiliates, considered as a whole, other than a change, event, violation, inaccuracy or circumstance:

- (a) resulting from conditions affecting the mining and exploration industry as a whole; or
- (b) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States, British Virgin Islands, Netherlands, Serbia or elsewhere;

**“Mineral Licenses”** means the mineral exploration licenses in respect of the Mineral Projects listed in Schedule “C”;

**“Mineral Projects”** has the meaning given to such term in the third recital of this Agreement, and for purposes of this Agreement includes the Mineral Licenses and the Properties;

**“Minimum Financing Amount”** means \$10,000,000;

**“Monthly Report”** has the meaning given to such term in Section 2.8(4)(d);

**“Operator”** has the meaning given to such term in Section 2.7;

**“Option”** has the meaning given to such term in Section 2.1;

**“Option Costs”** means (i) all operating expenditures, expenses and costs reasonably spent or incurred by DPM Subco and/or by or on behalf of the Operator in respect of the Properties during the Option Period in accordance with the terms of this Agreement and the then current budget, (ii) all corporate and administrative expenses of DPM Subco during the Option Period, including any fees or amounts

paid or payable by DPM Subco under the DPM Subco Services Agreement, and including, for greater certainty, insurance policies and Taxes payable by DPM Subco, and (iii) all BVI Companies Costs. For greater certainty, Option Costs include all amounts incurred to maintain the Mineral Licenses in good standing with all appropriate Governmental Authorities and under all applicable Laws, including annual exploration fees, the payment of any mining duties, property Taxes, service fees or stamp duties, the filing of reports with respect to minimum assessment work, and the performance of any and all obligations required by the terms and conditions of the Mineral Licenses, and further includes any payments, if any, required of DPM Subco in respect of any surface or access rights to the Properties; but excluding, legal or other consultant's fees related to the negotiation, execution and delivery of this Agreement or any salaries, benefits or payments to employees of Queensland or consultants retained by Queensland, or any of its Affiliates, for purposes in whole or in part other than activities directed toward ascertaining the existence, location, quality, quantity, or commercial value of deposits of minerals in, or under the lands covered by the Mineral Licenses;

**"Option Costs Payment"** has the meaning given to such term in Section 2.6(2)(a);

**"Option Costs Statement"** has the meaning given to such term in Section 2.3(2);

**"Option Exercise Amount"** has the meaning given to such term in Section 2.3(1)(b);

**"Option Exercise Date"** means the date that is (i) the date of the Option Exercise Notice if DPM does not exercise its right of audit and review provided in Section 2.10, or (ii) the date of the final resolution of a dispute under Section 2.10;

**"Option Exercise Notice"** has the meaning given to such term in Section 2.3(2);

**"Option Expiry Date"** has the meaning given to such term in Section 2.1;

**"Option Financings"** means one or more financing transactions of Queensland to be completed during the Option Period for the purpose of raising aggregate gross proceeds in an amount equal to or greater than the Minimum Financing Amount, including the amounts raised in the Interim Financing;

**"Option Period"** has the meaning given to such term in Section 2.2;

**"Order"** means any order (including any judicial or administrative order and the terms of any administrative consent), judgement, injunction, decree, ruling or award of any court, arbitrator or Governmental Authority;

**"Ordinary Course"** means, with respect to an action taken by a Person, that such action is consistent with the past practices of that Person and is taken in the ordinary course of the normal day-to-day business operations of that Person;

**"Participation Agreement"** means the equity participation rights agreement between DPM and Queensland executed and dated the date hereof;

**"Parties"** means collectively, Queensland, the Purchaser and the Vendor and **"Party"** means any of them;

**“Permitted Liens”** means:

- (a) Liens for Taxes which are not delinquent, and Liens for delinquent Taxes, the validity of which is being contested at the time by the Vendor in good faith by proper proceedings if, in the Purchaser’s opinion, adequate provision has been made for their payment;
- (b) easements, rights-of-way, servitudes, restrictions and similar rights in the lands covered by the Mineral Projects or interests therein granted or reserved to other Persons which do not have a material adverse impact on the value of the Property to which they relate;
- (c) title defects or irregularities in the lands covered by the Mineral Projects which are of a minor nature;
- (d) the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Republic of Serbia and the terms of any lease in respect of any of the lands covered by the Mineral Projects or any interest therein;
- (e) restrictions of a Governmental Authority, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon;
- (f) the right reserved to or vested in any Governmental Authority by any statutory provision or by the terms of any lease, franchise, grant or permit of any of the Target Entities, to terminate any such lease, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof; and
- (g) any security given to any public utility or any Governmental Authority when required in the Ordinary Course.

**“Person”** includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;

**“Personnel Obligations”** means any obligations or liabilities of a Party or any of its Affiliates to pay any amount to its or their officers, directors, employees and consultants, other than for salary, bonuses under its or their existing bonus arrangements and directors’ fees in the Ordinary Course and obligations or liabilities in respect of insurance or indemnification contemplated by this Agreement or arising in the Ordinary Course and, without limiting the generality of the foregoing, Personnel Obligations shall include the obligations of such Party or any of its Affiliates to directors, officers, employees and consultants:

- (a) for payments on or in connection with any change in control of such Party pursuant to any change in control agreements, policies or arrangements, including the payments specified herein; and

(b) for any special incentive bonus payments and commitments;

**"Properties"** means the lands that are covered or are the subject matter of the Mineral Licenses;

**"Public Documents"** means all financial statements (including the Queensland Financial Statements), management's discussion and analysis, management information circulars, annual information forms, material change reports, prospectuses and other documents filed on SEDAR by Queensland since February 23, 2007 and during the Interim Period;

**"Purchased Shares"** means all of the issued and outstanding shares in the capital of BVI Co as of Closing;

**"Quarterly Report"** has the meaning given to such term in Section 2.8(4);

**"Queensland Properties"** means the mining properties and projects of Queensland described in Schedule "D";

**"Queensland Shareholder"** means a registered holder of Queensland Shares, from time to time, and **"Queensland Shareholders"** means all of such holders;

**"Queensland Shares"** means common shares in the capital of Queensland;

**"Queensland Unit"** means a unit of Queensland comprised of one Queensland Share and at least one half of one Queensland Warrant (or such higher number or fraction of a warrant or warrants as contemplated in Section 3.3);

**"Queensland Warrant"** means a warrant issued by Queensland exercisable for one Queensland Share (substantially in the form of warrant certificate attached as Schedule "E") for a term ending at the latest of (subject to acceleration as provided below) (i) 24 months following the Closing Date, and (ii) the term of the warrants forming part of the Queensland Units sold in the Interim Financing, at an exercise price equal to the lesser of (x) the issue price of a Queensland Unit sold during the Interim Financing and (y) \$0.42 per warrant. Queensland will have the right, commencing 180 days after the Closing Date, to accelerate the expiry date of outstanding Queensland Warrants if at any time following the expiry of 180 days after the Closing Date the closing price of the Queensland Shares on any stock exchange in Canada is higher than \$1.00 for 20 consecutive trading days, in which case the Queensland Warrants will expire on the 30th day after the date on which notice of such acceleration is provided by the Queensland to the holder(s) of the Queensland Warrants;

**"Regulatory Approval"** means any approval, consent, waiver, permit, order or exemption from any Governmental Authority having jurisdiction or authority over any Party or an Affiliate of any Party which is required or advisable to be obtained in connection with the purchase and sale herein provided, including, without limitation, approval of the TSX Venture Exchange;

**"Remaining Purchase Price"** has the meaning given to such term in Section 3.2(2);

**"Reporting Jurisdictions"** has the meaning ascribed thereto in Section 6.1(i);

**"Securities Authorities"** means the applicable securities commissions, the TSX Venture Exchange and similar regulatory authorities in each of the Reporting Jurisdictions;

**"Securities Laws"** means the *Securities Act* (British Columbia), the *Securities Act* (Ontario) and such other securities Laws that are applicable to Queensland, including all rules and regulations under such Laws, together with applicable published policy statements, instruments, notices and Orders of all applicable securities regulatory authorities;

**"SEDAR"** means the System for Electronic Document Analysis and Retrieval, as maintained by the Canadian Securities Administrators and any successor entity;

**"Target Entities"** means, collectively, BVI Co., ISHCL and DPM Subco, and **"Target Entity"** means any of them as the context may require;

**"Taxes"** has the meaning ascribed thereto in Section 6.1(cc); and

**"TMF"** means TMF Services, accountants in the Republic of Serbia and agents for DPM Subco.

## **Section 1.2 Singular, Plural, etc.**

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

## **Section 1.3 Deemed Currency**

In the absence of a specific designation of any currency any undescribed dollar amount herein shall be deemed to refer to Canadian dollars.

## **Section 1.4 Headings, etc.**

The division of this Agreement into Articles and Sections, the provision of a table of contents hereto and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement to Articles and Sections refer to Articles and Sections of and to this Agreement in which such reference is made.

## **Section 1.5 Date for any Action**

In the event that any date on which any action is required to be taken hereunder by any of the Parties hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

## **Section 1.6 Governing Law**

This Agreement shall be governed by and interpreted in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein.

## **Section 1.7     Attornment**

The Parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of Ontario for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of the Parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against either Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of Ontario and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

## **Section 1.8     Miscellaneous**

- (1) Where the word “including” or “includes” is used in this Agreement, it means “including without limitation” or “includes without limitation”.
- (2) The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.
- (3) A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation.
- (4) Where any representation or warranty contained in this Agreement is expressly qualified by reference to the “knowledge” of DPM, it shall be deemed to refer to the actual knowledge of any director or officer of DPM, and all knowledge which such Persons would have if such Person made due enquiry into the relevant subject matter having regard to the role and responsibilities of such Person as a director or officer of DPM.
- (5) Where any representation or warranty contained in this Agreement is expressly qualified by reference to the “knowledge” of Queensland, it shall be deemed to refer to the actual knowledge of any director or officer of Queensland, and all knowledge which such Persons would have if such Person made due enquiry into the relevant subject matter having regard to the role and responsibilities of such Person as a director or officer of Queensland.

## **Section 1.9     Schedules**

The following schedules are attached hereto and form part of this Agreement:

|              |   |                                        |
|--------------|---|----------------------------------------|
| SCHEDULE “A” | - | FORM OF STANDSTILL AGREEMENT           |
| SCHEDULE “B” | - | FORM OF QUALIFICATION RIGHTS AGREEMENT |
| SCHEDULE “C” | - | MINERAL LICENSES                       |
| SCHEDULE “D” | - | FORM OF WARRANT CERTIFICATE            |
| SCHEDULE “E” | - | DPM WIRE TRANSFER INSTRUCTIONS         |

|              |   |                                |
|--------------|---|--------------------------------|
| SCHEDULE "F" | - | FORM OF RELEASE AND QUIT CLAIM |
| SCHEDULE "G" | - | REGULATORY APPROVALS           |
| SCHEDULE "H" | - | QUEENSLAND SUBSIDIARIES        |
| SCHEDULE "I" | - | TARGET ENTITIES SUBSIDIARIES   |
| SCHEDULE "J" | - | ACCESS RIGHTS                  |

## ARTICLE 2 GRANT OF OPTION

### Section 2.1 Grant of Option

Subject to the terms of this Agreement, DPM hereby irrevocably grants to Queensland the exclusive right and option to earn and acquire indirectly, through the Purchaser, the Purchased Shares and thereby indirectly acquire a 100% interest in the Mineral Projects (the "**Option**"), by satisfying the conditions set out in Section 2.3 on or before October 4, 2011 (the "**Option Expiry Date**"), which Option Expiry Date is subject to extension pursuant to Section 11.1.

### Section 2.2 Commencement of Option

The Option shall commence on the date Queensland completes the Interim Financing and shall terminate and be of no further force and effect on the date following the earlier to occur of the Option Exercise Date or the Option Expiry Date, unless otherwise terminated in accordance with this Agreement (such period, the "**Option Period**").

### Section 2.3 Conditions for the Exercise of Option

- (1) Queensland will be able to exercise the Option, upon satisfaction of the following conditions on or before the Option Expiry Date:
  - (a) Queensland shall have completed the Option Financings;
  - (b) subject to Section 2.10, Option Costs in the aggregate amount of \$3,000,000 (the "**Option Exercise Amount**") shall have been incurred and expended and Queensland shall have funded the Option Exercise Amount in the manner provided in Section 2.5 and Section 2.6; and
  - (c) the Exercise Threshold Date shall have been passed.
- (2) If the conditions of Section 2.3(1) have been satisfied, Queensland will have the right to exercise the Option in accordance with the provisions of Section 2.4. For greater certainty, the exercise of the Option will not give rise to a right to acquire the Purchased Shares, unless and until the Option Exercise Notice is deemed to be final in accordance with the provisions of Section 2.4(2).

### Section 2.4 Exercise of Option

- (1) If the conditions set out in Section 2.3 have been satisfied, Queensland may provide a written notice of exercise of the Option to DPM (the "**Option Exercise Notice**"), which notice shall include an officer's certificate of Queensland as to the amount of the Option Costs incurred and expended during the Option Period

together with an itemized detailed statement of such Option Costs (collectively, the **"Option Costs Statement"**). DPM shall have the right to review and dispute any items in the Option Costs Statement pursuant to and in accordance with Section 2.10.

- (2) If DPM does not object to the Option Costs Statement within the period specified in Section 2.10(1), then the Option Exercise Notice shall be deemed to be final as of the date of such notice. If DPM objects to the Option Costs Statement within the period specified in Section 2.10(1), then the Option Exercise Notice shall be deemed to be final as of the date of the final resolution of the dispute under Section 2.10.
- (3) Upon the Option Exercise Notice becoming final as provided in Section 2.4(2), DPM shall transfer to Queensland on the Closing Date the Purchased Shares in accordance with and upon satisfaction of the conditions set out in Article 3.

## **Section 2.5      Option Exercise Amount**

- (1) In accordance with the provisions of Section 2.11, Queensland may terminate this Agreement on prior written notice to DPM at any time during the Option Period after, but not before, the Option Exercise Amount has been incurred and expended in accordance with the terms of this Agreement.
- (2) If the amount of Option Costs incurred and expended (and ultimately funded by Queensland) as of the date it desires to issue the Option Exercise Notice is less than the Option Exercise Amount, then Queensland may pay the deficiency to or to the direction of DPM (or as directed by it) in cash prior to the expiry of the Option Period in order to exercise the Option. Any Option Costs spent under Section 2.6 or any payments made pursuant to this Section 2.5 are not reimbursable if Queensland does not exercise the Option.
- (3) If Queensland does not fund the Option Exercise Amount (whether pursuant to Section 2.6 or this Section 2.5) on or before the Option Expiry Date, as may be extended by force majeure in accordance with Section 11.1, the Option shall terminate and all Option Costs previously spent, and all payments previously made to DPM in lieu of Option Costs, shall be forfeited and be for the sole account of DPM.
- (4) Notwithstanding anything herein contained, if it is determined upon examination or audit by DPM pursuant to Section 2.10 that the Option Exercise Amount has not been either incurred or expended by or on behalf of Queensland, or paid to or to the direction of DPM, as herein provided, Queensland shall not lose any of its rights hereunder and the Option shall not terminate, provided that Queensland pays to or to the direction of DPM the amount of such deficiency in Option Costs in accordance with the provisions of Section 2.10(5).

## **Section 2.6      Funding of Option Exercise Amount**

- (1) Queensland and DPM hereby acknowledge and agree that their intent is that all transactions contemplated by this Agreement be undertaken and completed in a tax efficient manner for all Parties.

- (2) The Parties hereby agree that funding of Option Costs by Queensland in connection with the Option shall be made as follows:
- (a) within 7 Business Days after the approval of the program and budget for operations on the Properties as provided in Section 2.8(1), and then within 5 Business Days after the end of each quarter thereafter, Queensland shall fund Option Costs in an amount sufficient to undertake operations on the Properties during each of such quarters (each amount funded, an “**Option Costs Payment**”). Funding by Queensland of Option Costs Payments as herein provided shall be effected by wire transfer to DPM in immediately available funds in accordance with the wire transfer instructions set out in Schedule “F”;
  - (b) DPM shall, within 5 Business Days after receipt of each Option Costs Payment, flow such funds minus applicable BVI Companies Costs, to DPM Subco by capitalizing each of the Target Entities in the amount of each such Option Costs Payment;
  - (c) upon receipt by DPM Subco of each Option Costs Payment, DPM Subco will use such funds to:
    - (i) pay any Taxes and any other liabilities of DPM Subco that are payable as of such date, including all fees payable to TMF; and
    - (ii) pay Avala any fees and amounts invoiced by Avala and payable by DPM Subco under the DPM Subco Services Agreement, net of any withholding Taxes;
- all in accordance with and as further provided in the DPM Subco Services Agreement and the Delegation Services Agreement.

## **Section 2.7      Delegation Services Agreement and DPM Subco Services Agreement**

- (1) During the Option Period, Queensland will be the operator of the Mineral Projects (the “**Operator**”). On the date hereof, Queensland has delegated to Avala certain of its duties to Avala in accordance with the terms of Delegation Services Agreement. As Operator, Queensland shall be responsible in its reasonable discretion for directing exploration, development and mining work on the Properties. On the date hereof, Avala and DPM Subco have entered into the DPM Subco Services Agreement for the provision by Avala to DPM Subco of certain services in connection with operations on the Properties.
- (2) During the Option Period, DPM Subco shall permit Queensland and Avala, and their agents and representatives at their own risk and expense, access to the Properties at all times. Queensland and Avala shall provide DPM and DPM Subco access to all information obtained, results produced, samples, core and data collected and records, maps, sections and reports prepared by or on behalf of Queensland in connection with any work done on or with respect to the Properties during the Option Period.

- (3) In accordance with the provisions of this Section 2.7, Avala will act as agent of Queensland as Operator under this Agreement for all duties delegated to it pursuant to the Delegation Services Agreement.

## **Section 2.8 Rights and Obligations of Operator During Option Period**

- (1) Within 15 days of the date of this Agreement, the Operator shall deliver to DPM a written program and budget specifying in reasonable detail any and all work proposed to be conducted and carried out by the Operator on or in respect of the Properties during the Option Period and the estimated Option Costs. DPM shall have 7 days to review and either approve or comment on the proposed budget. DPM shall be deemed to have approved the budget if it does not dispute the budget within such period. The Operator shall notify DPM in writing of any material deviation from the program and any change which will result in an increase or decrease in a budget of at least 10% and, if necessary, provide DPM with a revised program together with a revised budget for the remaining months of the Option Period.
- (2) During the Option Period, the Operator, in co-operation with TMF, agent of DPM Subco, shall do such acts, and shall pay as Option Costs such fees and rents as may be required to keep the Mineral Projects in good standing. In the event that in accordance with applicable Laws, payments shall be made directly by DPM Subco, the Operator will direct and cooperate with DPM Subco and TMF to effect such payments. DPM Subco shall co-operate with the Operator as reasonably necessary in facilitating the making of payments and providing of information including, without limitation, the forwarding of all notices received by DPM Subco with respect to fees and rents. For greater certainty and without limitation, the Operator shall ensure that DPM Subco receives copies of all payments and correspondence made by or on behalf of the Operator pursuant to this Section 2.8, in a prompt and timely fashion.
- (3) All work conducted, carried out or performed by or on behalf of the Operator on the Mineral Projects during the Option Period shall be done in a good and workmanlike manner to the best of its ability in accordance with good mining practice and in compliance with all applicable Laws of all Governmental Authorities, including without limitation, all Environmental Laws.
- (4) During the Option Period, the Operator shall, in accordance with the terms of the DPM Subco Services Agreement:
- (a) maintain adequate insurance coverage in accordance with normal industry standards and practice, naming the Parties as insured and protecting the Parties from third party claims, and shall provide satisfactory evidence of such insurance at the request of DPM;
  - (b) co-operate and work with TMF, agent of DPM Subco, in order to facilitate the payment of all invoices and liabilities payable by DPM Subco;
  - (c) pay or cause to be paid all invoices for all materials and services purchased by the Operator in connection with work on the Properties; should any Lien be recorded against the Properties or any part thereof in consequence of any

work done thereon by the Operator, the Operator shall, on such occurrence becoming known to it, forthwith take active proceedings to have such Lien removed and shall have the same removed with all reasonable dispatch, provided however that the Operator may, in good faith, diligently contest any claim of Lien;

- (d) work with TMF, agent of DPM Subco, to facilitate the production of accurate, comprehensive and complete monthly financial and accounting reports for consolidation into the accounts of DPM (each, a **"Monthly Report"**); each Monthly Report shall be delivered to DPM, no later than the 8<sup>th</sup> Business Day following the end of each month during the Option Period; and
  - (e) provide DPM with; (i) quarterly reports indicating the status of all work on the Properties and a summary of all results obtained or received by the Operator in connection with all work in respect of the Properties (each a **"Quarterly Report"**); and the compilation and interpretation thereof as well as a breakdown of the Option Costs incurred in carrying out such work reconciled with budgetary progress for such time period and conclusions of drilling results; and (ii) timely reports and information and forthwith upon the occurrence of any material results or other events, notice in reasonable detail, and will provide copies of relevant data of such material results or events; a Quarterly Report shall be delivered within 30 days of the end of each applicable Quarter.
- (5) The obligations of Queensland as Operator under this Section 2.8 shall remain in force and effect until (i) Queensland has exercised the Option or (ii) the Option expires or is terminated without having been exercised by Queensland, whichever occurs first. If the Option expires or is terminated without having been exercised by Queensland, DPM Subco shall be responsible for, and shall fund all costs from and after the date of such expiration or termination.

## **Section 2.9 Management Committee**

During the Option Period, an informal management committee will be established. The members of the management committee will consist of one representative appointed by Queensland who has knowledge of the Option Costs being incurred by the Operator and DPM Subco and one representative appointed by DPM. The management committee will meet at least once every **[three]** months during the Option Period and, in any event, within 21 days of being requested to do so by a representative of either Party to address matters relating to the work and payments being conducted by or on behalf of the Operator and DPM Subco on or in connection with the Properties. At each meeting, Queensland will provide to DPM information concerning the amounts being expended as Option Costs at such time and the purposes of such expenditures. Such meetings will be informal and advisory in nature only, provided that (i) DPM shall approve the initial budget of Queensland; (ii) Queensland shall consider in good faith all suggestions of the DPM representative and shall take into account any major technical comments made by the DPM representative. Management committee meetings will be held at such place or in such other manner as the Parties may mutually agree, acting reasonably. For greater certainty, each Party shall be entitled to have such other of its representatives as it deems appropriate participate in such meetings of the management committee.

## **Section 2.10    Review and Audit of Option Costs**

- (1) DPM shall have the right within 10 Business Days of receipt of (i) Monthly Reports, (ii) any Quarterly Reports to be delivered by the Operator pursuant to this Agreement, or (iii) the Option Costs Statement delivered pursuant to Section 2.4(1), to review and, if required, dispute the contents of such reports as to Option Costs incurred or compliance with the terms of the approved budget by the independent accountants of DPM. The Operator shall provide access, upon every reasonable request, to DPM to all work papers of the Operator, accounting books and records and the appropriate personnel to verify the accuracy, presentation and other matters relating to the preparation of such reports. DPM shall be deemed to have accepted any such reports, including the Option Costs Statement, if it does not notify the Operator of its objection within the said period of 10 Business Days.
- (2) If DPM disputes the Option Cost Statement, the Parties will work expeditiously and in good faith in an attempt to resolve such dispute as soon as possible and in any event within a further period of 10 Business Days after the date of notification by DPM to the Operator of such dispute, failing which the dispute shall be submitted for determination to an independent national firm of chartered accountants mutually agreed to by DPM and Queensland (and, failing agreement between DPM and Queensland on the firm of chartered accountants within a further period of five (5) days, such independent national firm of chartered accountants shall be Ernst & Young, or if such firm is unable to act, Grant Thornton LLP). The determination of the firm of chartered accountants shall be delivered within 15 Business days of the date of retention of such firm, and such determination shall be final and binding upon the Parties and shall not be subject to appeal, absent manifest error. The firm of chartered accountants shall be deemed to be acting as experts and not as arbitrators.
- (3) DPM and Queensland shall each bear the fees and expenses of their respective auditors and accountants, if any, in preparing or reviewing, as the case may be, the Option Cost Statement. In the case of a dispute and the retention of a national firm of chartered accountants to determine such dispute, the costs and expenses of such firm of chartered accountants shall be borne as determined in (4) below. However, DPM and Queensland shall each bear their own costs in presenting their respective cases to the firm of chartered accountants.
- (4) In the event that the results of such review are within 5% of the amounts reported in such report, including the Option Costs Statement, the cost of such audit shall be to the account of DPM. If the results of such review differ from the amounts reported in such report, including the Option Costs Statement, by more than 5%, the cost of such review shall be to the account of Queensland. DPM's right of review shall not extend to the exploration results or any technical information, interpretations or conclusions derived therefrom contained in such reports.
- (5) In the event that, as a result of a dispute pursuant to Section 2.10(1) above, the Option Costs incurred by or on behalf of Queensland and set out by Queensland in the Option Costs Statement are reduced to less than the Option Exercise Amount, Queensland may elect by written notice to DPM within 10 days of receipt of the final determination of such dispute to make up the shortfall by way of a cash

payment (by certified cheque, bank draft or wire transfer) which shall accompany such notice to DPM. If Queensland elects to make a cash payment, the Option Exercise Date, shall be extended to the date of such payment.

- (6) In the event that the dispute relates to the Option Costs Statement delivered pursuant to Section 2.3(2) and the dispute is referred to a firm of chartered accountants pursuant to Section 2.10(2), the Closing Date shall be extended to be the date which is 5 Business Days following the date of the binding determination by such chartered accountants.

## **Section 2.11 Termination of the Option**

- (1) Subject to the obligations of the Parties that expressly survive the termination of this Agreement, the Option and this Agreement shall automatically terminate:
  - (a) if, after payment of the Option Exercise Amount, Queensland fails to deliver the Option Exercise Notice in accordance with Section 2.3 on or before the Option Expiry Date (as may be extended due to force majeure), on the date immediately following the Option Expiry Date; or
  - (b) upon receipt by DPM of notice by Queensland of exercise of its right to terminate the Option; and
  - (c) upon the mutual consent of the Parties.
- (2) Notwithstanding Section 2.11(1), DPM shall have the right to terminate the Option and this Agreement: (i) except in the case of an event of force majeure, on 30 days prior written notice to Queensland in the event that Queensland shall fail to make any of the payments required by this Agreement, including, without limitation, all payments required to maintain the Mineral Projects in good standing, or otherwise in the event of a material breach by Queensland of its covenants contained in this Agreement or the representations and warranties contained in Section 6.1; provided that Queensland has not within 30 days following delivery of the said prior written notice of breach, cured such default or, if such default is not capable of being cured in 30 days, begun to cure such default within such 30 days and subsequently cured such default within 60 days thereafter; or (ii) forthwith if Queensland shall generally not pay its debts as such debts become due or Queensland shall admit in writing its inability to pay its debts generally as such debts become due or if Queensland shall make a general assignment for the benefit of creditors or if any proceedings shall be instituted by or against Queensland under any bankruptcy, insolvency or similar law. A termination of the Option and this Agreement by DPM under this Section 2.11(2) shall not be in derogation of DPM's right to sue for and recover damages at law or in equity.
- (3) Upon termination, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of the Parties hereunder, provided that Section 2.11(2) to (5) inclusive, Section 2.14, Section 2.13 and Section 10.2 shall survive the termination of this Agreement.
- (4) If the Option and this Agreement are terminated for any reason other than a breach by DPM or DPM Subco of its terms, Queensland shall forthwith deliver to

DPM a duly executed, notarized release and quit claim, in the form attached hereto as Schedule "F". If the Option and this Agreement are terminated by Queensland on the basis of a breach by DPM or DPM Subco of their obligations hereunder, then Queensland shall forthwith deliver to DPM a duly executed, notarized release and quit claim, substantially in the form attached hereto as Schedule "F", which form shall exclude any rights of Queensland under this Agreement.

(5) Upon termination of the Option:

- (a) Queensland shall ensure that all Taxes, rents and payments in respect of the Mineral Projects are paid to the date of termination and in such amounts so that the Mineral Projects remain in good standing for not less than three months after termination, free and clear of all Liens;
- (b) Queensland shall deliver, or cause to be delivered, to DPM all maps, reports, surveys and assays, drill core samples and other results of surveys and drilling including all reports of information provided to Queensland by DPM Subco, as well as copies of any assay plans, diamond drill records, information, maps and other pertinent exploration reports produced by or on behalf of Queensland in respect of the Mineral Projects and any work thereon;
- (c) if at that time or subsequently thereafter a Lien on the Mineral Projects or any part thereof shall arise in connection with work done thereon by or on behalf of Queensland shall forthwith pay such Lien and arrange for the discharge thereof or, if Queensland (itself or through an agent) shall wish to contest such Lien, Queensland shall post security sufficient to permit such Lien to be discharged;
- (d) all buildings, plant, equipment, machinery, tools, appliances and supplies which may have been brought upon the Mineral Projects or any part thereof by Queensland as Operator shall be removed by Queensland not later than three months after termination; and, if not so removed, such buildings, plant, equipment, machinery, tools, appliances and supplies shall become the property of DPM;
- (e) Queensland shall cause to be paid and discharged all liabilities and obligations of DPM Subco as of the date of termination of this Agreement, including, for greater certainty, all expenses, costs and fees that are the responsibility of Queensland in any capacity in accordance with this Agreement; and
- (f) Queensland shall perform any rehabilitation, reclamation or pollution control on the Mineral Projects or any part thereof that is required by the World Bank Group Environmental, Health and Safety Guidelines as a result of Queensland's activities thereon.

## **Section 2.12 No Transfer of Option**

Neither Queensland nor the Purchaser shall at any time after the execution of this Agreement transfer or assign all or any part of its right, title or interest in and to the Option to a third party that is not an Affiliate of Queensland without the prior written consent of DPM, which consent may be withheld in the sole discretion of DPM.

## **Section 2.13 No Partnership and Other Business Opportunities**

The Parties have not created a partnership and nothing contained in this Agreement will constitute any Party the partner, agent or legal representative of any other Party, or create any fiduciary relationship between them for any purpose whatsoever. No Party will have any authority to act for, or to assume any obligation or responsibility on behalf of, any other Party except as otherwise expressly provided herein.

## **Section 2.14 Option Indemnity**

- (1) Queensland shall and hereby agrees to indemnify and hold DPM and its directors, officers, employees, Affiliates and agents harmless from and against any Losses, incurred by such Persons arising out of, resulting from or in any way connected with:
  - (a) any work or operations conducted or caused to be conducted on, under or in respect of the Properties during the Option Period by or on behalf of Queensland including, without limitation, any Losses arising in respect of any matter related to the natural environment;
  - (b) any loss of life, injury to persons or property, including any damages or liabilities under Environmental Laws, caused by any act or omission on the part of or on behalf of Queensland or any of its agents and contractors during the Option Period and in connection with operations on the Properties after the date of this Agreement, including without limitation, the actual, alleged or threatened disposal, release, storage, transportation, treatment, generation or escape of hazardous substances generated, stored, used, disposed of, treated, handled or shipped by or on behalf of Queensland or its agents in connection with operations on the Properties as provided under this Agreement;
  - (c) any claim against DPM or any of its Affiliates instituted after the date of this Agreement arising from any matter, act or omission of Queensland or any of its agents, contractors and Affiliates after the date hereof during the Option Period and in connection with operations on the Properties; and
  - (d) any claim derived from its respective employer-worker obligations during the Option Period, including contractors or subcontractors hired by Queensland,excluding in each case any Losses arising from the gross negligence, wilful misconduct or intentional acts of DPM or DPM Subco.
- (2) Notwithstanding any other provision of this Agreement and any termination of this Agreement, the indemnities provided herein shall remain in full force and effect

until all possible liabilities of the Persons indemnified hereby are extinguished by operation of law and will not be limited to or affected by any other indemnity obtained by such indemnified Persons from any other Person.

- (3) The provisions of Section 10.3 shall apply to any claim for indemnity under this Section 2.14.

### **Section 2.15 Confidentiality**

Except as otherwise provided hereunder, the Parties agree to treat all information, data, reports and other records relating to the work performed by or on behalf of Queensland as Operator on the Mineral Projects and all other information of DPM Subco disclosed under this Agreement, the DPM Subco Services Agreement or the Delegation Services Agreement (collectively, the “**Information**”) as confidential and will not disclose such Information to any Person other than their legal advisors or auditors without the prior written consent of the other Party; provided, however, that no Party will be liable for any such disclosure if such Information:

- (a) becomes generally available to the public other than as a result of a disclosure by a Party or its representatives in violation of this Agreement;
- (b) was available to a Party on a non-confidential basis without violation of this Agreement prior to its disclosure by any Party;
- (c) becomes available to a Party on a non-confidential basis without violation of this Agreement from a source other than another Party or any representative of another Party provided that such source is not bound by a duty of confidentiality to any of the Parties;
- (d) is made to any contractor, consultant, surety or any entity which provides financing for a Party, where any such Person reasonably needs to know such Information in the course of providing services to or otherwise dealing with the party making such disclosure and has executed a confidentiality undertaking containing provisions at least as onerous as in this Section 2.15; or
- (e) is required to be disclosed by applicable Laws, provided that if a Party is required by Law to make any public disclosure of Information, it will provide to the other Party as much notice as reasonably possible, including the proposed text of the announcement.

The provisions of this Section 2.15 shall survive the termination of this Agreement.

## **ARTICLE 3 TRANSFER OF PURCHASED SHARES**

### **Section 3.1 Transfer of Shares**

If Queensland has exercised the Option in accordance with the provisions of Article 2, then subject to the terms and conditions of this Article 3, on the Closing Date,

Queensland shall cause the Purchaser to acquire from the Vendor, and the Vendor hereby agrees to, and shall, sell, assign and transfer to the Purchaser, all of the Vendor's legal and beneficial right, title and interest in and to the Purchased Shares.

### **Section 3.2 Purchase Price**

- (1) The consideration payable by the Purchaser to the Vendor for the Purchased Shares shall be the aggregate of the Option Exercise Amount and the Consideration Units (collectively, the "**Purchase Price**"). The Parties acknowledge and agree that once the Option Exercise Notice is deemed to be final in accordance with the provisions of Section 2.4, payment of the Option Exercise Amount will have been satisfied.
- (2) Payment of the Consideration Units (the "Remaining Purchase Price") shall be made by issuing, or causing to be issued, and delivering to the Vendor (or as the Vendor may direct) on the Closing Date, a certificate representing the Queensland Shares and a certificate representing the Queensland Warrants which comprise the Consideration Units.

### **Section 3.3 Consideration Units**

- (1) The Consideration Units shall represent an interest in the capital of Queensland equal to the DPM Percentage. The DPM Percentage shall be applied to the total outstanding share capital of Queensland on a non-diluted basis as of the Option Exercise Date (including the Equity Securities issued as part of the Option Financings) provided that the Option Financings do not exceed in aggregate the Minimum Financing Amount. In the event Queensland raises more than the Minimum Financing Amount prior to expiry of the Option Period (excluding from the amount raised any consideration received for Equity Securities issued upon exercise of stock options or other convertible Equity Securities already existing as of the Option Grant Date), the DPM Percentage will not be applied to Equity Securities sold in the Option Financings in excess of the Minimum Financing Amount and DPM's entitlement to Consideration Units to be issued on exercise of the Option will be diluted accordingly. For greater certainty, DPM will be entitled to subscribe on its own in any offering beyond the Minimum Financing Amount pursuant to the terms of the Participation Agreement such that it would still hold a 47.5% interest following the issuance of the Consideration Units. For greater certainty, nothing in this Section shall prevent Queensland from granting new stock options during the Interim Period, but any Queensland Share issued pursuant to the exercise of such stock option shall be factored in the determination of the number of Consideration Units to be issued to DPM based on the DPM Percentage.

(2) Queensland shall:

- (a) ensure that in the case of the Queensland Shares comprising the Consideration Units, and the Queensland Shares issuable upon the exercise of the Queensland Warrants comprising the Consideration Units are, when issued, issued as fully paid, non-assessable shares in the capital of Queensland, and, together with the Queensland Warrants, free and clear of all Liens; and
  - (b) ensure that the Queensland Shares comprising the Consideration Units, and the Queensland Shares issuable upon the exercise of the Queensland Warrants comprising the Consideration Units are, when issued, listed and posted for trading on the TSX Venture Exchange.
- (3) For greater clarity, each Consideration Unit will be comprised of one Queensland Share and that number of Queensland Warrants or fraction of a Queensland Warrant (but in any event not less than half a Queensland Warrant per Consideration Unit) as is equal to the number of warrants per Queensland Unit sold in the Option Financings. The total number or fraction of Queensland Warrants to comprise the Consideration Units will be determined by aggregating the products from each of the various tranches of the Option Financings determined by multiplying (i) the number or fraction of a Queensland Warrant forming part of a Queensland Unit sold in such tranche of the Option Financings, by (ii) the proportion (expressed as a percentage) of the number of Queensland Warrants sold in such tranche of the Option Financings bears to the total number of Queensland Warrants sold in all the Option Financings.

#### **Section 3.4 Tax Matters**

The Purchaser shall be responsible for and shall pay when due any transfer Taxes (including, for greater certainty, property transfer, sales, commodity, goods and services or similar Taxes) and any registration, transfer or other fees payable pursuant to any Law directly in respect of the sale and transfer of the Purchased Shares to the Purchaser, excluding for certainty any Taxes in respect of income or capital gains of DPM. In the event that the Vendor is required to pay or remit any such transfer Taxes pursuant to this Section 3.4, including any interest or penalties in respect of such transfer Taxes, the Purchaser shall indemnify and hold harmless the Vendor and its directors, officers and employees in respect of any Losses arising thereof, provided that the Purchaser shall have the right to challenge the appropriate Governmental Authority regarding the validity of any such Taxes, interests or penalties that it reasonably believes are not properly payable.

### **ARTICLE 4 CONDITIONS OF CLOSING**

#### **Section 4.1 Closing**

Subject to satisfaction of the conditions in Section 4.2 and Section 4.3, Closing shall take place at the offices of Stikeman Elliott LLP in Toronto, Ontario, at the Closing Time on the Closing Date, as may be extended pursuant to Section 4.4.

## **Section 4.2      Conditions of Closing for the Benefit of Queensland and the Purchaser**

- (1) The purchase and sale of the Purchased Shares is subject to the satisfaction of the following conditions on or before the Closing Date, which conditions are for the exclusive benefit of Queensland and the Purchaser and may be waived, in whole or in part, by Queensland and the Purchaser in their sole discretion:
  - (a) Queensland shall have exercised the Option in accordance with the provisions of Article 2;
  - (b) the representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date, except to the extent that such representations and warranties may be affected by events or transactions expressly permitted by this Agreement;
  - (c) the Vendor shall have fulfilled or complied with all covenants contained in this Agreement to be fulfilled, or complied with, by it at or prior to the Closing Time;
  - (d) Queensland and the Purchaser shall have obtained all Regulatory Approvals listed in Schedule "H" necessary to complete the purchase and sale of the Purchased Shares;
  - (e) the board of directors of the Vendor and each of the Target Entities, as the case may be, shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by the Vendor and each of the Target Entities, as applicable, to permit the consummation of the transactions herein provided;
  - (f) the board of directors of Queensland shall have authorized and approved the entering into of this Agreement and the purchase of the Purchased Shares and all other corporate actions shall have been taken by Queensland and the Purchaser to complete the transactions herein provided;
  - (g) the shareholders (if required by the TSX Venture Exchange) of Queensland shall have authorized and approved the entering into of this Agreement and the purchase of the Purchased Shares;
  - (h) if required by the TSX Venture Exchange or applicable Securities Laws, an updated NI-43-101 compliant technical report relating to the Mineral Project shall have been prepared at the expense of Queensland;
  - (i) there shall not be pending or threatened any proceeding against the Target Entities brought by any Governmental Authority or any other Person that seeks to restrain, materially modify or invalidate the Closing; and
  - (j) the Vendor and the Target Entities shall have delivered to the Purchaser all of the Closing Documents listed in Section 5.2, applicable to it.

### **Section 4.3      Conditions of Closing for the Benefit of the Vendor**

- (1) The purchase and sale of the Purchased Shares is subject to the satisfaction of the following conditions on or before the Closing Date, which conditions are for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion:
  - (a) Queensland shall have exercised the Option in accordance with the provisions of Article 2;
  - (b) the representations and warranties of Queensland and the Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date except to the extent such representations and warranties may be affected by events or transactions expressly permitted by this Agreement,
  - (c) each of Queensland and the Purchaser shall have fulfilled or complied with all covenants contained in this Agreement to be fulfilled, or complied with, by it at or prior to the Closing Time;
  - (d) Queensland and the Purchaser shall have obtained all Regulatory Approvals listed in Schedule "H" necessary to complete the purchase and sale of the Purchased Shares;
  - (e) Queensland shall have entered into the Ancillary Agreements;
  - (f) Queensland shall have appointed the board of directors as provided in Section 7.7;
  - (g) the TSX Venture Exchange shall have approved the transaction and the listing of the Queensland Shares to be listed upon exercise of Consideration Units and the Queensland Warrants;
  - (h) there shall not be pending or threatened any proceeding against each of Queensland and the Purchaser brought by any Governmental Authority or any other Person that seeks to restrain, materially modify or invalidate the Closing;
  - (i) the board of directors of Queensland shall have authorized and approved the entering into of this Agreement and the purchase of the Purchased Shares and all other corporate actions shall have been taken by Queensland and the Purchaser to complete the transactions herein provided;
  - (j) the shareholders (if required by the TSX Venture Exchange), of Queensland shall have authorized and approved the entering into of this Agreement and the purchase of the Purchased Shares;
  - (k) if required by the TSX Venture Exchange or applicable Securities Laws, an updated NI-43-101 compliant technical report relating to the Mineral Project shall have been prepared at the expense of Queensland; and

- (l) each of Queensland and the Purchaser shall have delivered all of the Closing Documents listed in Section 5.1 applicable to it.

#### **Section 4.4 Closing Delay**

If any of the conditions set out in Section 4.2(1)(d), Section 4.2(1)(g), Section 4.2(1)(h), Section 4.2(1)(i), Section 4.3(1)(d), Section 4.3(1)(g), Section 4.3(1)(h), Section 4.3(1)(k) are not satisfied by the date which would otherwise be the then Closing Date and are not waived by the Party entitled to do so, the Closing Date shall be deemed to be extended until the date which is 5 Business Days after the date on which such conditions have been satisfied, provided that if the Closing Date is extended pursuant to this Section 4.4 for more than six months following delivery of the Option Exercise Notice, either the Vendor or the Queensland (on behalf of itself and the Purchaser) shall have the right to terminate this Agreement.

#### **Section 4.5 Covenants**

Each of the Parties covenants and agrees that it shall:

- (a) use all commercially reasonable efforts to satisfy all conditions set forth in Section 4.2 and Section 4.3; and
- (b) not take any action and, in the case of DPM, shall not permit any of the Target Entities to take any action that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to the Closing Time or termination of this Agreement, whichever occurs first.

### **ARTICLE 5 CLOSING**

#### **Section 5.1 Closing Documents and Deliverables of the Vendor**

The Vendor shall deliver the following to Queensland and the Purchaser at the Closing Time:

- (a) all documents necessary to effect and complete the transfer of the Purchased Shares in accordance with the laws of the British Virgin Islands;
- (b) a certificate dated as of the Closing Date from an officer of each of the Vendor and the Target Entities in a form reasonably satisfactory to Queensland and the Purchaser:
  - (i) to the effect that the articles and by-laws attached to the certificate are correct and complete copies of such articles and by-laws as in effect at the Closing Date;
  - (ii) to the effect that the resolutions of the board of directors of DPM attached to the certificate approving this Agreement and the Closing Documents, as applicable, and authorizing the execution and delivery

of this Agreement, the Ancillary Agreements and any documents required to be signed or executed under this Agreement are a correct and complete copy of the relevant resolutions, unamended; and

- (iii) attaching a copy of the signatures of the individuals authorised to sign this Agreement, the Ancillary Agreements and/or any of the Closing Documents on behalf of the Vendor and certifying the genuineness of such signatures;
- (c) a certificate of good standing, compliance or equivalent, as applicable, of each of DPM and the Target Entities dated no earlier than two (2) Business Days prior to the Closing Date;
- (d) a title opinion, satisfactory to Queensland in its sole discretion, in respect of the Mineral Projects;
- (e) opinions of counsel to DPM, BVI Co, IHSCL and DPM Subco in forms satisfactory to Queensland, acting reasonably, with respect to: (i) the due incorporation and valid existence of BVI Co, IHSCL and DPM Subco; (ii) the due authorization, execution and delivery by DPM and DPM Subco of this Agreement, the Ancillary Agreements, the Delegation Services Agreement and the DPM Subco Services Agreement to which it is a party; and (iii) the enforceability of this Agreement, the Ancillary Agreements and the Delegation Services Agreement;
- (f) resignations, effective as of the Closing Date, of each director and officer of each of the Target Entity from whom Queensland requests such resignations;
- (g) a certificate dated as of the Closing Date and signed on behalf of the Vendor in the agreed form to the effect that the representations and warranties of the Vendor contained in this Agreement and the applicable Closing Documents are true and correct in all material respects as of the Closing Date (except to the extent that such representations and warranties may be affected by events or transactions expressly permitted by this Agreement) and that the Vendor has performed all of its covenants and obligations to be performed under this Agreement on or prior to the Closing Date;
- (h) a duly executed copy of each of the Ancillary Agreements by DPM and/or any of the Target Entities, as applicable;
- (i) the books and records of each of the Target Entities; and
- (j) such other documents, certificates and other instruments as would be usual in respect of the transactions contemplated herein, as Queensland may reasonably require.

## **Section 5.2 Closing Documents and Deliverables of Queensland and the Purchaser**

Queensland and the Purchaser shall deliver the following to the Vendor at the

Closing Time:

- (a) all documents necessary to effect and complete the transfer of the Purchased Shares in accordance with the laws of the British Virgin Islands;
- (b) the Remaining Purchase Price, comprised of certificates representing the Queensland Shares and Queensland Warrants comprising the Consideration Units;
- (c) a certificate dated as of the Closing Date from each of Queensland and the Purchaser in a form reasonably satisfactory to the Vendor:
  - (i) to the effect that the articles and by-laws attached to the certificate are correct and complete copies of the articles and by-laws of each of Queensland and the Purchaser as in effect at the Closing Date;
  - (ii) to the effect that the resolutions of the board of directors of each of Queensland and the Purchaser attached to the certificate approving this Agreement and the Ancillary Agreements and authorising the execution and delivery of this Agreement, the Ancillary Agreements and of any of the Closing Documents are a correct and complete copy of the relevant resolutions, unamended; and
  - (iii) attaching a copy of the signatures of the individuals authorised to sign this Agreement, the Ancillary Agreements and/or any of the Closing Documents on behalf of each of Queensland and the Purchaser and certifying the genuineness of such signatures;
- (d) a certificate issued by an officer of Queensland, certifying the share capital of Queensland, on a fully diluted basis, in form and substance reasonably satisfactory to DPM;
- (e) a certificate of good standing, compliance or equivalent, as applicable, of each of Queensland and the Purchaser dated no earlier than two (2) Business Days prior to the Closing Date;
- (f) evidence in form satisfactory to DPM, acting reasonably, that all Regulatory Approvals listed in Schedule "H" required to be obtained by Queensland and the Purchaser have been obtained;
- (g) a certificate dated as of the Closing Date and signed on behalf of each of Queensland and the Purchaser in the agreed form to the effect that the representations and warranties of Queensland and the Purchaser contained in this Agreement and the applicable Closing Documents are true and correct in all material respects as of the Closing Date (except to the extent that such representations and warranties may be affected by events or transactions expressly permitted by this Agreement) and that each of Queensland and the Purchaser has performed all of its covenants and agreements to be performed by it under this Agreement on or before the Closing Date;

- (h) a duly executed copy of each of the Ancillary Agreements by Queensland and/or the Purchaser, as applicable;
- (i) a letter from Olympia Trust Company (or such other transfer agent of Queensland as of the Closing Date) dated no earlier than two Business Days prior to the Closing Date confirming the number of Queensland Shares outstanding as of the Closing Date;
- (j) evidence that the TSX Venture Exchange shall have accepted the transaction and the listing of the Queensland Shares comprising the Consideration Units and the Queensland Shares issuable upon the exercise of the Queensland Warrants comprising the Consideration Units;
- (k) evidence that the board of directors of Queensland has been appointed in accordance with the provisions of Section 7.7;
- (l) an opinion of counsel to Queensland in a form satisfactory to DPM, acting reasonably, with respect to: (i) the due incorporation and valid existence of Queensland and the Purchaser; (ii) the due authorization, execution and delivery by Queensland and the Purchaser of this Agreement, the Ancillary Agreements and the Delegation Services Agreement and the DPM Subco Services Agreement, to which it is a party; and (iii) the enforceability of this Agreement, the Ancillary Agreements and the Delegation Services Agreement; and (iv) the authorization or creation and issuance (as applicable) of the Queensland Shares and Queensland Warrants comprising the Consideration Units and the Queensland Shares issuable pursuant to such Queensland Warrants and the reporting issuer status of Queensland]; and
- (m) such other documents, certificates and other instruments as would be usual in respect of the transactions contemplated herein, as DPM may reasonably require.

## **ARTICLE 6 REPRESENTATIONS AND WARRANTIES**

### **Section 6.1      Representations and Warranties of Queensland and the Purchaser**

Each of Queensland and the Purchaser, jointly and severally, hereby represents and warrants to DPM, and acknowledges that DPM is relying upon such representations and warranties, as follows:

- (a) it has been duly incorporated and is validly existing under the Laws of its jurisdiction of incorporation and it is registered and is in good standing under the Laws of each jurisdiction where it is required to be registered in order to own its properties and assets and to carry on its business as now conducted;

- (b) it has all necessary corporate power, capacity and authority to enter into and perform its obligations under this Agreement and each the Ancillary Agreements to which it is a party;
- (c) this Agreement and each of the Ancillary Agreements to which it is a party has been, or at the Closing Time will be, duly authorized, executed and delivered by it and constitutes, or at the Closing time will constitute, legal, valid and binding obligations of each of Queensland and the Purchaser, enforceable against it in accordance with its terms;
- (d) the authorized and issued capital of Queensland consists of an unlimited number of Queensland Shares, of which, 17,466,923 Queensland Shares are issued and outstanding at the date hereof; all of the issued and outstanding Queensland Shares are free and clear of any Liens;
- (e) other than (i) as set out in the Public Documents, or (ii) pursuant to the Interim Financing, (iii) any stock options duly and validly granted under Queensland stock option plan or (iv) pursuant to the settlement agreement between National Bank of Canada and Queensland:
  - (i) no Person has or will have at the Closing Time any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from Queensland of any unissued Equity Securities of Queensland;
  - (ii) there is no agreement in force or effect which in any manner affects or will affect the voting or control of any of the Equity Securities of Queensland; and
  - (iii) there are no Equity Securities convertible, exchangeable or exercisable for Queensland Shares or other rights to acquire Queensland Shares;
- (f) as of the date hereof, other than as provided in Section 6.1(d) and Section 6.1(e), there are no other Equity Securities of Queensland issued and outstanding;
- (g) Queensland, directly and indirectly through its 100% owned subsidiary Dunav Holdings Ltd., owns 100% of the membership rights in the Purchaser; neither Queensland nor the Purchaser is a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any membership rights in the Purchaser and the membership rights in the Purchaser are free and clear of any Liens, other than restrictions on transfer, if any, contained in the deed of incorporation of the Purchaser;
- (h) the Purchaser has, and will at the Closing Time have, all necessary corporate power to own the Purchased Shares in accordance with applicable Laws;

- (i) Queensland is a reporting issuer, or the equivalent thereof, in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the “**Reporting Jurisdictions**”) and is not currently in default under the Securities Laws of any of the Reporting Jurisdictions and other regulatory instruments of the Securities Authorities in such provinces, and since January 1, 2007 (i) it has filed with all applicable Securities Authorities, all forms, reports and documents required to be filed by it pursuant to the Securities Laws and published policies of such Securities Authorities, including the TSX Venture Exchange, on a timely basis, (ii) all such filings when made complied in all respects with then applicable legal and regulatory requirements, (iii) as of their respective dates, none of these filings contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and (iv) no confidential disclosure has been made under the Securities Laws;
- (j) the issued and outstanding Queensland Shares are listed on the TSX Venture Exchange and, other than the current halt in respect of the trading of Queensland Shares, no Order ceasing or suspending trading in any Equity Securities of Queensland is currently outstanding and no proceedings for such purpose are pending or threatened;
- (k) except as disclosed in the Public Documents and as contemplated hereunder, Queensland has not approved, entered into any binding agreement in respect of, or has any knowledge of:
  - (i) 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 Queensland whether by asset sale, transfer of shares or otherwise;
  - (ii) the change of control (by sale or transfer of Equity Securities or sale of all or substantially all of the property and assets of Queensland or otherwise) of Queensland; or
  - (iii) a proposed or planned disposition of Equity Securities by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Queensland Shares;
- (l) the Queensland Shares forming part of the Consideration Units, and the Queensland Shares issuable upon exercise of the Queensland Warrants to be issued to DPM, have been authorized and reserved for issue to DPM at Closing or to the holders of the Queensland Warrants upon the exercise of the Queensland Warrants in accordance with the provisions thereof, as applicable, and, upon being issued as contemplated herein, such Queensland Shares will be validly issued as fully-paid and non-assessable shares of Queensland;

- (m) the Queensland Warrants forming part of the Consideration Warrants to be issued to DPM have been duly authorized and the certificates representing such Queensland Warrants, when issued, executed and delivered by Queensland upon Closing in accordance with the terms thereof will constitute legal, valid and binding obligations of Queensland enforceable against Queensland in accordance with their terms
- (n) the corporate records of Queensland and the Purchaser provided for review to DPM are complete and accurate and include its Governing Documents, all minutes of meetings and all resolutions of shareholders and directors, and the share certificate books, securities register, register of transfers and register of directors;
- (o) other than as disclosed in the Public Documents, Queensland has no associates (as defined in the Securities Laws), and is not a partner, co-tenant, joint venturer or otherwise a participant in any partnership joint venture, co-tenancy or other similarly joint owned business;
- (p) it has all requisite corporate capacity, power and authority, and possesses all material certificates, authority, permits and licenses issued by each applicable Governmental Authority necessary to conduct its business as now conducted by it and to own or lease its assets and is in compliance in all material respects with such certificates, authorities, permits or licenses and has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would cause a Material Adverse Change of Queensland, taken as a whole;
- (q) the entering into this Agreement and the performance by Queensland and the Purchaser of the transactions contemplated by this Agreement:
  - (i) does not require any Regulatory Approval, other than the ones listed in Schedule "H";
  - (ii) will not contravene any Law which is binding on it where such contravention would result in a Material Adverse Change; and
  - (iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under its Governing Documents or any contract or instrument to which it is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would not result in a Material Adverse Change;
- (r) the issuance and delivery of any Queensland Shares and the Queensland Warrants forming part of the Consideration Units pursuant to the terms of this Agreement will be exempt from the prospectus and registration requirements of the Securities Laws, the first trade by DPM of such Equity Securities will be exempt from the prospectus requirements of the Securities

Laws and no document will be required to be filed and no proceeding taken or approval, permit, consent, order or authorization obtained under the Securities Laws in connection with such first trade, subject to the provisions of Section 2.6 of NI 45-102 and subject to such restrictions as may be imposed by Securities Laws and/or the TSX Venture Exchange;

- (s) except as disclosed in the Public Documents or except in relation to David Fennell or James Crombie, none of the directors, officers or employees of Queensland or any other Person owns, directly or indirectly, more than 10% of any Equity Securities of Queensland, nor does any associate or Affiliate of any of the foregoing, have any material interest, direct or indirect, in any transaction or any proposed transaction (including any loan made to or by any such Person) with Queensland which materially affects, is material to or will materially affect Queensland on a consolidated basis;
- (t) there are no legal or governmental proceedings pending or, to the knowledge of Queensland, contemplated or threatened, to which Queensland or the Purchaser is a party or to which the property of Queensland or the Purchaser may be subject;
- (u) there is no material indebtedness or material liabilities of Queensland or the Purchaser whether direct, indirect, absolute, contingent or otherwise which are not disclosed in the Public Documents;
- (v) all information that has been prepared by Queensland and the Purchaser relating to Queensland and the Purchaser and their business, property and liabilities and either publicly disclosed or provided to the other Parties in writing or disclosed in the Public Documents, including all financial, marketing, sales and operational information is, as of the date of such information, true and correct in all material respects and no fact or facts have been omitted therefrom which would make such information materially misleading;
- (w) all filings and fees required to be made by Queensland and the Purchaser pursuant to applicable Laws, if any, have been made and paid and such disclosure and filings were true and accurate as at the respective dates thereof;
- (x) the audited balance sheet as at December 31, 2009, statement of cash flows and statement of operations and comprehensive loss and shareholders' equity for the period ended December 31, 2009 of Queensland and the equivalent unaudited statements as at and for the period ended June 30, 2010 (collectively, the "**Queensland Financial Statements**"), have been prepared in accordance with Canadian generally accepted accounting principles, present fairly, in all material respects, the consolidated financial position, results of operations and cash flow of Queensland as at the date and for the periods indicated therein, and do not omit to state any material fact that is required by Canadian generally accepted accounting principles or by applicable Law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;

- (y) since June 30, 2010, except as disclosed in the Public Documents:
  - (i) Queensland has conducted its business only in the Ordinary Course;
  - (ii) Queensland has not incurred or suffered a Material Adverse Change;
  - (iii) there has not been any acquisition or sale by Queensland of any material property or assets;
  - (iv) other than in the Ordinary Course, there has not been any incurrence, assumption or guarantee by Queensland of any debt for borrowed money, any creation or assumption by Queensland of any Lien, any making by Queensland of any loan, advance or capital contribution to or investment in any other Person (other than loans and advances in an aggregate amount which does not exceed \$50,000 outstanding at any time) or any entering into, amendment of, relinquishment, termination or non-renewal by Queensland of any contract, agreement, permit, lease transaction, commitment or other right or obligation which would, individually or in the aggregate, cause a Material Adverse Change in respect of Queensland;
  - (v) other than in the Ordinary Course, there has not been any material increase in or modification of the compensation payable to or to become payable by Queensland to any of their respective directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement made to, for or with any of such directors, officers, employees or consultants;
  - (vi) Queensland has not adopted any, or materially amended any, collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option, shareholder rights or other benefit plan; and
  - (vii) no dividends or distributions have become or are payable on or in respect of Queensland Shares or any other Equity Securities of Queensland;
- (z) the auditors who audited the audited Queensland Financial Statements and who provided their audit report thereon are independent public accountants as required under applicable Securities Laws and there has never been a reportable event (within the meaning of National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators) between Queensland and Queensland auditors or, to the knowledge of Queensland, any former auditors of Queensland;
- (aa) Queensland and the Purchaser are and at all times have been, in compliance in all material respects with all applicable Laws promulgated or issued by any Governmental Authority in respect of or applicable to each of them and its assets and properties, Queensland is not in violation of its Governing Documents or in default of the performance or observance of any

material obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which any or its assets or properties may be bound;

- (bb) other than as provided in Schedule "I", as at the date of this Agreement, Queensland has no subsidiaries (as such term is defined in the Business Corporations Act (British Columbia)) nor any investment or proposed investment in any Person which accounted for more than five percent (5%) of the consolidated assets or consolidated revenues of Queensland or would otherwise be material to the business and affairs of Queensland on a consolidated basis;
- (cc) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom 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 by Queensland and the Purchaser in respect of their operations and assets have been paid except for where the failure to pay such Taxes would not result in a Material Adverse Change. All Tax returns, declarations, remittances and filings required to be filed by Queensland and the Purchaser 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 except where the failure to file such documents would not result in a Material Adverse Change. No examination of any Tax return of Queensland and the Purchaser 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 Queensland. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to Queensland and the Purchaser;
- (dd) Schedule "D" sets forth a true, correct and complete list of all of the Queensland Properties except for those that are not material to the business and operations of Queensland. Queensland is the sole legal and beneficial owner of, and has good and marketable title to, all of the Queensland Properties, free of all Liens, other than Permitted Liens and Liens which would not have a material adverse effect on the title to and exploration of such Queensland Properties;
- (ee) all activities conducted by Queensland on the Queensland Properties, and to the best of the knowledge of Queensland, after due inquiry, all activities on the Queensland Properties conducted since Queensland acquired beneficial ownership thereof, have been, up to and including the date hereof, conducted in compliance, in all material respects, with all applicable Laws, including Environmental Laws, all statutory or other work prescribed by applicable Laws, in respect of the Queensland Properties has been performed in a manner consistent with applicable Laws and all filings required to maintain the mining rights in good standing have been properly

recorded or filed in a timely manner with the appropriate Government Authorities, and the Queensland Properties and the current activities and operations thereon are in compliance with all material respects in all applicable Laws and no notice of non-compliance from any such Governmental Authorities has been received by Queensland;

- (ff) other than pursuant to applicable Laws, Queensland has no responsibility or obligation to pay any commission, royalty or similar payment to any Person with respect to the property rights in respect of the Queensland Properties and none of the Queensland Properties is subject to any right of first refusal or purchase or acquisition rights;
- (gg) all material agreements pursuant to which Queensland holds any of its material assets are, to the knowledge of Queensland, valid and subsisting agreements in full force and effect and in good standing, enforceable in accordance with their respective terms; Queensland is not in default of any of the material provisions of any such agreements including without limitation failure to fulfil any payment or work obligation thereunder nor, to the knowledge of Queensland has any such default been alleged and Queensland is not aware of any material disputes with respect thereto; such assets are in all material respects in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licenses, concessions, patented and unpatented claims pursuant to which Queensland derives its interest in such material assets are in all material respects in good standing and there has been no material default under any such leases, licenses, concessions, patented and unpatented claims;
- (hh) there is no Person acting or purporting to act at the request of Queensland, who is entitled to any brokerage or finder's fee in connection with the transactions contemplated herein other than in connection with any brokered Option Financing;
- (ii) there are no restrictions on the ability of Queensland to use, transfer or otherwise exploit any of its property rights, and Queensland does not know of any claim or basis for a claim that may adversely affect such rights;
- (jj) the assets of Queensland and the Purchaser and their business and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and Queensland and the Purchaser have not failed to promptly give any notice of any material claim thereunder;
- (kk) since the date of its incorporation, Queensland has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its Equity Securities, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Equity Securities or agreed to do any of the foregoing;

- (ll) there is not, in the Governing Documents or in any contract, instrument or document to which Queensland and the Purchaser is a party, other than in the two credit agreements between National Bank of Canada and Queensland dated May, 2009, any restriction upon, or impediment to, the declaration or payment of dividends by the directors of Queensland or the Purchaser or any other distribution by Queensland or the Purchaser to the holders of its Equity Securities;
- (mm) other than as disclosed in the Public Documents, neither Queensland nor the Purchaser is a party to any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or any other liability ("**Debt Instrument**") or any agreement contract or commitment to create, assume or issue any Debt Instrument;
- (nn) except to the extent that Queensland must comply with the policies of the TSX Venture Exchange, it is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Queensland to compete in any line of business, or to transfer or move any of its assets or operations or which would result in a Material Adverse Change of Queensland;
- (oo) Queensland is not aware of any pending or contemplated change to any applicable Law or governmental position that would materially affect the business of Queensland as currently conducted or as contemplated to be conducted or the legal environment under which Queensland operates;
- (pp) other than as disclosed in the Public Documents, Queensland does not have any indebtedness outstanding which has been made to any of its 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)); and
- (qq) no representation, warranty or statement of Queensland in this Agreement contains or will contain at the Closing Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading. To the best of the knowledge of Queensland, it has disclosed to the other Parties all events, conditions or facts related to Queensland which materially affect the condition (financial or otherwise) or business of Queensland, taken as a whole.

## **Section 6.2 Representations and Warranties of DPM**

The Vendor hereby represents and warrants to Queensland and the Purchaser and acknowledges that Queensland and the Purchaser are relying upon such representations and warranties, as follows:

- (a) it and each of the Target Entities, has been duly incorporated and is validly existing under the Laws of its jurisdiction of incorporation and is registered as required and is in good standing under the Laws of each of jurisdiction where

it is required to be registered in order to own its properties and assets and to carry on its business as now conducted by it;

- (b) it and each of the Target Entities has all necessary corporate power, capacity and authority to enter into and perform all its obligations under this Agreement and the applicable Ancillary Agreements to which it is a party, and to own, lease and operate its assets;
- (c) BVI Co. is a wholly-owned subsidiary of DPM and ISHCL is a wholly-owned subsidiary of BVI Co.;
- (d) effective September 30, 2010, DPM Subco is a wholly-owned subsidiary of ISHCL, subject only to registration of transfer of shares of DPM Subco to ISHCL with applicable governmental authorities for third party notice requirements;
- (e) all of the issued and outstanding Equity Securities in the capital of BVI Co. are held by the Vendor;
- (f) other than as provided in this Agreement:
  - (i) no Person has or will have at the Closing Time any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase of issued or unissued Equity Securities of any of the Target Entities;
  - (ii) there is no agreement in force or effect which in any manner affects or will affect the voting or control of any of the Equity Securities of any of the Target Entities;
  - (iii) there are no Equity Securities convertible, exchangeable or exercisable for Equity Securities or other rights to acquire any shares of any of the Target Entities;
- (g) the Vendor is not a party to and has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any Equity Securities of any of the Target Entities;
- (h) all of the Purchased Shares are registered in the name of the Vendor and the Vendor is not a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any Equity Securities of BVICo. and the Purchased Shares are free and clear of any Liens;
- (i) the annual audited financial statements of DPM Subco for the years ended December 31, 2009 (the “**DPM Subco Financial Statements**”) have been prepared in accordance with the Law on Accounting and Auditing of the Republic of Serbia, which requires full scope of IFRS to be applied (except as outlined in the notes thereto), and the regulations issued by the Ministry of Finance of the Republic of Serbia, and present fairly, in all material respects,

the financial position of DPM Subco as at such dates and for such periods, and do not omit to state any material fact that is required by the foregoing accounting principles or by applicable Law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;

- (j) this Agreement has been, and each of the Ancillary Agreements to which the Vendor is a party will be, at the Closing Time, duly authorized, executed and delivered by it and constitutes, and at the Closing Time, will constitute, legal, valid and binding obligations of the Vendor, enforceable against it in accordance with their terms;
- (k) the entering into this Agreement by the Vendor and the performance by the Vendor of the transactions contemplated herein:
  - (i) does not require any Regulatory Approval;
  - (ii) will not contravene any applicable Law which is binding on the Vendor or any of the Target Entities, where such contravention would result in a Material Adverse Change of any of such parties; and
  - (iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under the Governing Documents of the Vendor or any of the Target Entities, or contracts or instruments to which the Vendor or any of the Target Entities is a party or pursuant to which the Mineral Licenses or Properties may be affected;
- (l) there are no legal or governmental proceedings pending or, to the knowledge of DPM, contemplated or threatened, which may cause a Material Adverse Change of any of the Target Entities or the Mineral Projects;
- (m) other than obligations in respect of directors fees payable by the Target Entities and other non-material amounts related to the administration of the Target Entities, none of the Target Entities have any material indebtedness or liabilities;
- (n) there is no material indebtedness or material liabilities out of the ordinary course of DPM Subco, whether direct, indirect, absolute, contingent or otherwise which is (i) not disclosed in the DPM Subco Financial Statements or (ii) incurred since the date of the DPM Subco Financial Statements, that could have a material adverse effect on DPM Subco or the Mineral Projects;
- (o) none of the Target Entities is a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument;
- (p) except as disclosed in Schedule "I", none of the Target Entities has any subsidiaries other than as provided in Section 6.2(c) and Section 6.2(d);

- (q) all information that has been prepared by DPM relating to the business, property and liabilities of the Target Entities and the Mineral Projects, and to be disclosed in the management information circular of Queensland to be prepared for this transaction (the “**Circular**”), including all financial, marketing, sales and operational information is, as of the date of such information, true and correct in all material respects (subject to additional and supplemental information which may need to be provided), and no fact or facts have been omitted therefrom which would make such information materially misleading;
- (r) DPM has not filed any confidential material change report relating to the Target Entities or the Mineral Projects;
- (s) all Taxes due and payable by the Target Entities have been paid except for where the failure to pay such Taxes would not cause a Material Adverse Change in respect of the Target Entities or the Mineral Projects; all Tax returns, declarations, remittances and filings required to be filed by the Target Entities 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 except where the failure to file such documents would not cause a Material Adverse Change in respect of the Target Entities or the Mineral Projects;
- (t) there is not, in the Governing Documents or in any contract or other instrument to which any of the Target Entities is a party, any restriction upon or impediment to the declaration or payment of dividends to its shareholder;
- (u) except pursuant to applicable Laws, none of the Vendor nor any of the Target Entities is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of any of the Target Entities to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects, or if carried out would materially adversely affect the business practices, operations or condition of any of the Target Entities;
- (v) DPM Subco is the sole legal and beneficial owner of, and, except as set forth in the description of the Mineral Licenses in Schedule “C”, has good and marketable title to, all of the property, assets and undertakings comprising the Mineral Projects, free of all Liens, other than Permitted Liens or Liens which would not have a material adverse effect on the title to and exploration of the Mineral Projects;
- (w) Schedule “K” sets out a description of the access rights held by DPM Subco;
- (x) DPM Subco has conducted and is conducting its business in compliance in all material respects with all applicable Laws of the Republic of Serbia including all applicable mining and Environmental Laws, and in accordance with the terms of the Mining Licenses, and, except as set forth in the description of the Mineral Licenses in Schedule “C”, none of the Vendor or DPM Subco has received or is aware of the existence of any basis for, any

notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the Mining Licenses;

- (y) to the best of the knowledge of DPM, after due inquiry, all activities on the Properties conducted since DPM acquired beneficial ownership thereof, have been, up to and including the date hereof, conducted in compliance, in all material respects, with all applicable Laws, including, Environmental Laws and the Mineral Licenses, and the condition of the Properties is in material compliance with applicable Laws, and no notice of non-compliance from any Governmental Authority has been received by DPM Subco;
- (z) except as set forth in the description of the Mineral Licenses in Schedule "C", all filings required to maintain the Mineral Licenses in good standing have been properly made in a timely manner with appropriate Government Authorities;
- (aa) subject to the rights of any Governmental Authority having jurisdiction or pursuant to applicable Laws, no Person is entitled to any royalty or other payment in the nature of royalty on any minerals, metals or concentrates removed or produced from the Properties, and none of the Mineral Projects is subject to any right of first refusal or purchase or acquisition rights;
- (bb) all material agreements of DPM Subco are, to the knowledge of DPM, valid and subsisting agreements in full force and effect and in good standing, enforceable in accordance with their respective terms; DPM Subco is not in default of any of the material provisions of any such agreements including failure to fulfil any payment obligation thereunder nor, to the knowledge of DPM, has any such default been alleged, and DPM is not aware of any material disputes with respect thereto;
- (cc) DPM Subco does not have and has not had at any time any employees;
- (dd) DPM Subco has no material tangible assets; and
- (ee) no representation, warranty or statement of any of DPM in this Agreement contains or will contain at the Closing Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading. To the best of the knowledge of DPM, DPM has disclosed to Queensland and the Purchaser, all events, conditions or facts related to DPM Subco which materially affect the condition (financial or otherwise) or business of DPM Subco or the Mineral Projects.

### **Section 6.3 Survival**

The representations and warranties of each of Queensland and the Purchaser contained herein shall survive the Closing for a period of three years from the date thereof, and the representations and warranties of DPM and the Vendor contained herein shall survive the Closing for a period of one year from the date thereof.

#### **Section 6.4            Queensland and Purchaser's Acknowledgements**

Each of Queensland and the Purchaser acknowledges that no express or implied representation or warranty is or has been made as to the existence or presence of any mineral substance or ore or as to the feasibility or profitability of any mining operation on or with respect to the Mineral Projects or any mineral extracted or produced therefrom.

### **ARTICLE 7 INTERIM PERIOD COVENANTS**

#### **Section 7.1        Conduct of Business by the Parties During the Interim Period**

Except as required by Law or is otherwise expressly permitted or specifically contemplated by this Agreement, each of the Parties covenants and agrees that, during the Interim Period, unless each of the other Parties shall otherwise agree in writing:

- (1) Queensland shall make application to the TSX Venture Exchange and take such actions as are required for the approval of the transactions contemplated by this Agreement, including the issuance and listing, as applicable, of the Consideration Units and the underlying Queensland Shares, as soon as reasonably practicable after the execution of this Agreement, and if required by the TSX Venture Exchange, prepare and file any information circular or other document required to obtain any shareholder approval as may be required by the TSX Venture Exchange.
- (2) Each of Queensland and the Purchaser shall, and DPM shall cause the Target Entities to:
  - (a) conduct business in, and not take any action except in, the usual and ordinary course of business and consistent with past practice, and use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships; and
  - (b) maintain all books and records in the usual, regular and ordinary manner
- (3) DPM shall, and shall cause the Target Entities to, use its best efforts to preserve intact the current business organization of the Target Entities, and maintain good relations with, and the goodwill of all Persons having business relationships with any of the Target Entities.
- (4) Queensland shall not take any action which would be reasonably expected to result in the delisting or suspension of the Queensland Shares from the TSX Venture Exchange and shall comply, in all material respects, with the rules and regulations thereof.
- (5) Queensland shall not, and DPM shall cause the Target Entities not to, directly or indirectly, do or permit to occur any of the following, except as otherwise contemplated herein:

- (a) amend its Governing Documents other than, in the case of Queensland, to change its name;
  - (b) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its Equity Securities owned by any Person other than the inter-corporate loans and advances;
  - (c) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any Equity Securities other than, in the case of Queensland, (i) in connection with the Option Financings, (ii) pursuant to the exercise of currently outstanding Equity Securities, (iii) grants of new stock options under the Queensland stock option plan and any issuance of Equity Securities upon exercise thereof, or (iv) pursuant to the settlement agreement between National Bank of Canada and Queensland;
  - (d) redeem, purchase or otherwise acquire any of its outstanding Equity Securities, without limitation, under an issuer bid;
  - (e) split, combine or reclassify any of its Equity Securities;
  - (f) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization;
  - (g) reduce its stated capital; or
  - (h) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above.
- (6) Queensland shall not, and DPM shall cause the Target Entities not to, other than in the ordinary course of business and consistent with past practice, or as required or contemplated by this Agreement, without prior consultation with and the written consent of the other Parties, directly or indirectly do any of the following:
- (a) sell, pledge, dispose of or encumber any assets;
  - (b) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment either by purchase of Equity Securities, contributions of capital or property transfer;
  - (c) acquire any material assets;
  - (d) incur any indebtedness for borrowed money, other than pursuant to existing facilities, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or Person, or make any loans or advances, other than the Personnel Obligations and fees payable to legal and accounting advisors in the ordinary course and reasonable fees payable to legal, accounting, engineering and financial advisors in connection with the matters contemplated by this Agreement and relating to the Option Financings;

- (e) authorize, recommend or propose any release or relinquishment of any material contractual right;
  - (f) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document;
  - (g) enter into or terminate any hedges, swaps or other similar financial instruments or business combination;
  - (h) enter into any agreements with its directors or officers or their respective Associates; or
  - (i) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing.
- (7) From the date hereof, Queensland will not, and DPM will cause the Target Entities not to, without prior consultation with and the written consent of the other Parties, enter into new commitments of a capital expenditure nature or incur any new contingent liabilities other than (i) ordinary course expenditures, (ii) expenditures required by Law, (iii) expenditures made in connection with or in accordance with the terms of this Agreement (including without limitation the Option Exercise Amount), and (iv) capital expenditures required to prevent the occurrence of a Material Adverse Change.
- (8) For greater certainty, notwithstanding Section 7.1(5), each of Queensland will not, and DPM will cause the Target Entities not to: create any new Personnel Obligations; or except for payment of the existing Personnel Obligations (from which the applicable Party shall make appropriate withholdings as required by applicable tax Laws); grant to any officer or director an increase in compensation in any form, grant any general salary increase, grant to any other employee any increase in compensation in any form other than routine increases in the ordinary course of business consistent with past practices, make any loan to any officer or director, or take any action with respect to the grant of any severance or termination pay or a change of any Party or the entering into of any employment agreement with, any senior officer or director, or with respect to any increase of benefits payable under its current severance or termination pay policies.
- (9) Queensland will not, and DPM will cause the Target Entities not to: adopt or amend or make any contribution to any bonus, profit sharing, option, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees, except as is necessary to comply with applicable Law or with respect to existing provisions of any such plans, programs, arrangements or agreements without the consent of the other Parties.

## **Section 7.2 Representations and Warranties**

- (1) Each of Queensland and the Purchaser covenants and agrees that from the date hereof until the termination of this Agreement it shall not take any action, or fail to

take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 6.1 being untrue in any material respect.

- (2) Each of DPM and the Vendor covenants and agrees that, from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 6.2 being untrue in any material respect.

### **Section 7.3 Notice of Material Change**

- (1) From the date hereof until the termination of this Agreement, each Party shall promptly notify the other Party in writing of:
  - (a) in the case of Queensland, any material change (actual, anticipated, contemplated or, to the knowledge of Queensland, threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of Queensland, taken as a whole;
  - (b) in the case of DPM, only with respect to the Target Entities, any material change (actual, anticipated, contemplated or, to the knowledge of DPM, threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Target Entities, taken as a whole;
  - (c) any change in the facts relating to any representation or warranty set out in Section 6.1 or Section 6.2 hereof, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or
  - (d) any material fact which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.
- (2) Each of the Parties shall in good faith discuss with the other any change in circumstances (actual, anticipated, contemplated or, to its knowledge of its, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other pursuant to this section.

### **Section 7.4 Non-Solicitation by Queensland**

From and after the date hereof until the termination of this Agreement, none of Queensland or any of its officers, directors, employees (other than to the extent required by Law), agents or Affiliates (and their officers, directors or employees) shall, directly or indirectly, (i) solicit, encourage or conduct discussions with or engage in negotiations with any Person relating to the possible acquisition of Queensland (whether by way of merger, purchase of Equity Securities (other than those offered by way of the Option Financings), purchase of assets or otherwise) or any material portion of its Equity Securities (other than those offered by way of the Option Financings) or assets or any of its Affiliates, (ii) provide information with respect to Queensland or any of its Affiliates to any Person, other than

DPM, relating to the possible acquisition of Queensland or any of its Affiliates (whether by way of merger, purchase of Equity Securities (other than those offered by way of the Option Financings), purchase of assets or otherwise) or any material portion of its capital stock or assets, (iii) enter into an agreement with any Person, other than the Parties, providing for the acquisition of such Party or any of its Affiliates (whether by way of merger, purchase of Equity Securities other than those offered by way of the Option Financings, purchase of assets or otherwise) or any material portion of its capital stock or assets, or (iv) make or authorize any statement, recommendation or solicitation in support of any possible acquisition of such Party (whether by way of merger, purchase of Equity Securities other than those offered by way of the Option Financings, purchase of assets or otherwise) or any material portion of its Equity Securities (other than those offered by way of the Option Financings) or assets by any Person, other than by the Parties. In addition to the foregoing, if Queensland or any of its officers, directors, agents, or affiliates receives any unsolicited offer or proposal to enter negotiations relating to any of the above, Queensland shall immediately notify DPM thereof, including information as to the identity of the offeror or the party making any such offer or proposal and the specific terms of such offer or proposal, as the case may be.

#### **Section 7.5      Non-Solicitation by DPM**

- (1) From and after the date hereof until the termination of this Agreement, none of DPM, its agents or Affiliates or any of their respective officers, directors, employees (other than to the extent required by Law and other than pursuant to Section 7.5(2) in the case of directors and officers who are also part of the Dundee Group) shall, directly or indirectly, (i) solicit, encourage or conduct discussions with or engage in negotiations with any Person, other than Queensland, relating to the possible acquisition of the Mineral Projects or any part thereof, (ii) provide information with respect to the Mineral Projects to any Person, other than the Parties, relating to the possible acquisition of the Mineral Projects or any part thereof, (iii) enter into an agreement with any Person, other than Queensland, providing for the acquisition of the Mineral Projects or any part thereof, or (iv) make or authorize any statement, recommendation or solicitation in support of any possible acquisition of the Mineral Projects or any part thereof by any Person, other than by the Parties. In addition to the foregoing, if DPM or any of its officers, directors, agents, or affiliates receives any unsolicited offer or proposal to enter negotiations relating to any of the above, DPM shall immediately notify Queensland thereof, including information as to the identity of the offeror or the party making any such offer or proposal and the specific terms of such offer or proposal, as the case may be.
- (2) Nothing in this Agreement shall restrict Dundee Corporation or any affiliate, associate or subsidiary (all as defined in the Ontario Act) thereof (other than DPM) or any of their officers, directors and employees (collectively, the **"Dundee Group"**), in any manner whatsoever, including, without limitation, acting as a financial advisor or engaging in brokerage, investment, money management and other business transactions and activities, including without limitation, transactions involving investment portfolios of pension and mutual funds, insurance companies and investment companies.

## **Section 7.6 Other Filings**

The Parties shall prepare and file all filings required under any Securities Laws, the rules of the TSX Venture Exchange or any other applicable Laws relating to the matters contemplated hereby.

## **Section 7.7 Queensland Board of Directors and Officers**

- (1) As of or prior to the Closing Date, Queensland shall do all things reasonably necessary to have the board of directors and officers of Queensland to be comprised as follows:

|                     |   |                                                 |
|---------------------|---|-------------------------------------------------|
| David Fennell       | - | Executive Chairman                              |
| James Crombie       | - | Director, President and Chief Executive Officer |
| Anthony Walsh       | - | Director (Chair of Audit Committee)             |
| Jonathan Goodman    | - | Director                                        |
| Sean Hasson         | - | Director                                        |
| Louis-Pierre Gignac | - | Director                                        |
| Robert Minto        | - | Director                                        |
| John Wakeford       | - | Director                                        |

## **Section 7.8 Additional Agreements**

Subject to the terms and conditions of this Agreement and subject to fiduciary obligations under applicable Laws, each of the Parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including, as applicable, using commercially reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements;
- (b) to defend all lawsuits or other legal proceedings challenging this Agreement;
- (c) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the transactions contemplated hereby; and
- (d) to effect all necessary registrations and other filings and submissions of information requested by Governmental Authorities and to fulfill all conditions and satisfy all provisions of this Agreement.

For purposes of the foregoing, the obligation to use “**commercially reasonable efforts**” to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other Parties.

## **ARTICLE 8 POST-CLOSING COVENANTS**

### **Section 8.1 Post-Closing Covenants of Queensland and the Purchaser**

- (1) The Purchaser agrees that, from and after the Closing Date, it shall keep the books and records transferred to it at the Closing Date, and any other documentation provided to the Purchaser, for a period of six years from and after the Closing Date. Upon not less than five Business Day's prior written notice, the Purchaser shall provide DPM with reasonable access during the Purchaser's normal business hours to such books and records, provided that such access does not cause undue interference to the business operations of the Purchaser, and DPM shall have the right, at its expense, to make and retain copies of such books and records, or extracts therefrom, to the extent required by it, acting reasonably. The Purchaser shall have the right to have its representatives present during any such access by DPM.
- (2) Queensland shall, for a period of at least 24 months after the Closing Date use its reasonable commercial efforts to remain a reporting issuer not in default of any requirement of the Securities Laws and maintain the listing of Queensland Shares on the TSXV Venture Exchange.
- (3) If required by any accounting authority or Governmental Authority, Queensland hereby agrees to make available to DPM as follows:
  - (a) as soon as available but no later than 30 days after each quarterly period ended on March 31, June 30, September 30 and December 31 of Queensland or as required by the applicable exchange, quarterly unaudited financial statements of and prepared by Queensland, to include a balance sheet and an income and expense statement, prepared in accordance with Canadian generally accepted accounting principles and/or IFRS, as applicable;
  - (b) as soon as available but no later than 90 days after Queensland's fiscal year end, annual audited financial statements of Queensland, certified by an independent certified public accountant, prepared in accordance with Canadian generally accepted accounting principles and/or IFRS, as applicable;
  - (c) no later than 25 days after each quarterly period ended on March 31, June 30, September 30 and December 31, any material transactions or impairments in Queensland's consolidated financial results for the respective quarter; and

- (d) no later than 40 days after DPM's fiscal year end, any material transactions or impairments in Queensland's consolidated financial results for the respective year.

## **ARTICLE 9 TERMINATION AND AMENDMENT**

### **Section 9.1 Termination**

In the event the Option is exercised pursuant to Article 2, this Agreement may thereafter only be terminated by written notice promptly given to the other Party hereto, at any time prior to the Closing Date:

- (a) by mutual agreement in writing by the Parties; or
- (b) if Closing has not occurred by the date which is one year from the date the Option Exercise Notice is final pursuant to Section 2.4(2).

### **Section 9.2 Effect of Termination**

In the event of the termination of this Agreement as provided in Section 9.1 hereof, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of the Parties hereunder except as set forth in Section 11.1 hereof and this Section 9.2, which provisions shall survive the termination of this Agreement. Nothing herein shall relieve any Party from liability for any breach of this Agreement prior to the effective date of termination.

## **ARTICLE 10 INDEMNIFICATION**

### **Section 10.1 Indemnity by DPM**

DPM will indemnify and save each of Queensland, the Purchaser and its directors, officers, employees, agents and representatives harmless from, and will pay for, any Losses suffered by, imposed upon or asserted against any of them as a result of, in respect of, connected with, or arising out of, under, or pursuant to:

- (a) subject to Section 10.3(6), any breach or inaccuracy of any representation or warranty given by DPM contained in this Agreement; or
- (b) any failure of DPM to perform or fulfil any of its covenants or obligations under this Agreement.

### **Section 10.2 Indemnity by Queensland and the Purchaser**

Queensland and the Purchaser will indemnify and save each of DPM and its directors, officers, employees, agents and representatives harmless from, and will pay for, any Losses suffered by, imposed upon or asserted against any of them as a result of, in respect of, connected with, or arising out of, under, or pursuant to:

- (a) subject to Section 10.3(6), any breach or inaccuracy of any representation or warranty given by Queensland and the Purchaser contained in this Agreement or any Ancillary Agreement; or
- (b) any failure by Queensland and the Purchaser to perform or fulfil any of its covenants or obligations under this Agreement or any Ancillary Agreement.

### **Section 10.3 Indemnity Matters**

- (1) Each of the Parties agrees that it accepts each indemnity in favour of its directors, officers, employees, agents, and representatives as agent and trustee of each such Person, and agrees that the other party hereto may enforce an indemnity in favour of such other party's directors, officers, employees, agents and representatives.
- (2) A Party claiming for indemnity under this Section 10.3 (the "**Indemnatee**") shall give prompt notice of any claim, action, proceeding or circumstances that could reasonably give rise to such a claim to the party which has agreed to indemnify it (the "**Indemnitor**"). Inadvertent failure to give such prompt notice will not preclude the Indemnatee from pursuing the claim unless and to the extent that the Indemnitor is materially prejudiced by such failure. The Indemnitor may, and will, if directed to do so by the Indemnatee, at its own expense and in the name of the Indemnatee or otherwise, dispute any claim made, or any matter on which a claim could be made, by a third party in respect of which a notice has been given by the Indemnatee under this Section 10.3 and may retain legal counsel acceptable to the Indemnatee, acting reasonably, to have conduct of any proceeding relating to such a claim. The Indemnatee may employ separate counsel with respect to any such claims brought by a third party and participate in the defence thereof, provided the fees and expenses of such counsel shall be the responsibility of the Indemnatee unless:
  - (a) the Indemnitor fails to assume the defence of such claim on behalf of the Indemnatee within five days of receiving notice of such claim; or
  - (b) the employment of such counsel has been authorized by the Indemnitor;

in each of which cases the Indemnitor shall not have the right to assume the defence of such suit on behalf of the Indemnatee but shall be liable to pay the reasonable fees and expenses of counsel for the Indemnatee. For the purpose of confirming or disputing such a claim, the Indemnatee will provide full and complete disclosure to the Indemnitor and complete access to and right of inspection by the representatives of the Indemnitor of all documents and records in the possession or control of the Indemnatee relating to such claim. If any security is required to be provided for the purpose of defending or contesting any such claim, including, without limitation, any appeal of any judgment, the Indemnitor shall provide such security and all monies or property representing such security received by the Indemnatee as a result of a successful defense or contestation will be held in trust by the Indemnatee for the benefit of the Indemnitor and will be remitted to the Indemnitor on demand. Neither the Indemnatee nor the Indemnitor shall settle, compromise or pay any claim for which indemnity is sought hereunder except with the prior written consent of the other, such consent not to be unreasonably withheld,

or in the case of the Indemnatee unless the Indemnitor fails to dispute and defend such claim.

- (3) An Indemnitor shall not be obligated to indemnify any Indemnitees unless and until such Indemnitees have suffered or incurred indemnifiable Losses in excess of an aggregate amount of \$250,000, after which time the Indemnitees shall be entitled to recover all such Losses.
- (4) The liability of an Indemnitor pursuant to the indemnification provisions of this Article 10 shall be, in respect of Queensland and the Purchaser collectively, and in respect of DPM, an aggregate amount of \$5,000,000.
- (5) The rights of indemnity set forth in this Article 10 are the sole and exclusive remedies for any Losses for which indemnity would be claimed by the Indemnatee pursuant to the terms hereof, and are expressly in lieu of all other remedies, including any independent common law or statutory rights or remedies which the Indemnatee may have at any time, now or in the future, notwithstanding anything contrary in this Agreement.
- (6) No Party has any obligation or liability with respect to any representation or warranty made by such Party in this Agreement, any Ancillary Agreement (as applicable) or the certificates to be delivered pursuant to Section 5.1(g) or Section 5.2(g) after the end of the applicable survival time period specified in Section 6.3, except for claims relating to the representations and warranties that the Party has been notified of prior to the end of the applicable time period.

## **ARTICLE 11 GENERAL**

### **Section 11.1 Force Majeure**

- (1) Time shall be of the essence of this Agreement provided, however, that, notwithstanding anything to the contrary contained herein, if any Party should at any time or times during the currency of this Agreement be delayed in or prevented from complying with this Agreement by reason of wars, acts of God, strike, lockouts or other industrial disputes, inability to access its place of business, acts of the public enemy, riots, fire, storm, flood, explosion, government restriction, failure to obtain any approvals required from regulatory authorities including environmental protection agencies, unavailability of equipment or qualified personnel, delays of transportation, breakdown of machinery, interference of persons primarily concerned about environmental issues or native rights pressure groups or other causes whether of the kind enumerated above or otherwise which are not reasonably within the control of the applicable Party, excluding for greater certainty and without limitation, unavailability of funds, the period of all such delays resulting from such causes or any of them, shall be excluded in computing the time within which anything required or permitted by the applicable Party to be done, is to be done hereunder, it being understood that the time within which anything is to be done hereunder shall be extended by the total period of all such delays. Nothing contained in this Section 11.1 shall require the applicable Party to test the constitutionality of any enacted Law.

- (2) In the event that a Party asserts that an event or events of force majeure has occurred, such Party shall give notice in writing to the other Party specifying the following:
- (a) the commencement date and the cause and nature of the alleged event of force majeure;
  - (b) a summary of the action such Party or its representatives, agents, contractors or employees have taken to the date of such notice to correct the alleged event of force majeure;
  - (c) confirmation as to all acts, actions and things done by such party or its representatives, agents, contractors or employees to terminate the event of force majeure; and
  - (d) the reasonably expected duration of the period of force majeure.
- (3) A Party claiming an event or events of force majeure shall provide ongoing periodic notice in writing to the other party with respect to event or events of force majeure, including the matters set out above, within 15 days of the end of each calendar month during the period of force majeure and shall provide prompt notice in writing to the other party upon the termination of the event or events of force majeure.
- (4) Notwithstanding Section 11.1 and Section 11.2, the terms of settlement of any labour disturbance or dispute, strike or lock-out will be wholly in the discretion of the Operator or the Party claiming suspension of its obligations by reason thereof and the Operator or that Party (or agent thereof) will not be required to accede to the demands of its opponents in any such labour disturbance or dispute, strike or lock-out solely to remedy or remove the cause of the prevention or delay.
- (5) The extension of time for the observance of conditions or performance of obligations as a result of force majeure will not relieve the Operator from its obligations under Section 2.8(2).

### **Section 11.2 Fees and Expenses**

The Parties hereto shall be responsible for the payment of their own professional fees (including but not limited to legal and accounting fees) and other expenses incurred by them in connection with this Agreement.

### **Section 11.3 Amendment**

This Agreement may, at any time on or before the Closing Time, be amended by mutual agreement between the Parties hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the Parties hereto.

### **Section 11.4 Waiver**

A Party may (i) extend the time for the performance of any other Party's of the

obligations owed to it, (ii) waive compliance with any other Party's agreements or the fulfillment of any of its conditions contained herein or (iii) waive inaccuracies in another Party's representations or warranties owed to it and contained herein or in any document delivered by such other Party hereto; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Parties.

### **Section 11.5 Notices**

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by facsimile or sent by prepaid overnight courier to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties by like notice):

if to Queensland:

Queensland Minerals Ltd.  
Suite 411, West Tower  
1111 Charles Street West  
Longveil, Quebec, J4K 5G4

Attention: James A. Crombie, Chief Executive Officer,  
Executive Vice Chairman and Director  
Facsimile: (450) 677-2601

with a copy to (which shall not constitute notice to Queensland and the Purchaser):

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, Ontario M5L 1B9

Attention: Raymond A. McDougall  
Facsimile: (416) 947-0866

if to DPM:

Dundee Precious Metals Inc.  
Royal Bank Plaza, South Tower  
Suite 3060, 200 Bay Street  
Toronto, ON, M5J 2J1

Attention: Stephanie Anderson  
Facsimile: (416) 365-9080

with a copy to (which shall not constitute notice to DPM and the Vendor):

Cassels Brock & Blackwell LLP  
2100 Scotia Plaza  
40 King Street West,  
Toronto, ON M5H 3C2

Attention: André Boivin  
Facsimile: (416) 640-3157

#### **Section 11.6 Assignment**

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto without the prior written consent of the other Parties.

#### **Section 11.7 Publicity**

So long as this Agreement is in effect, Queensland and DPM shall advise, consult and cooperate with each other prior to issuing, or permitting any of its directors, officers, employees or agents to issue, any press release or other written public or private statement to the press with respect to this Agreement from the date hereof until the Closing Date. The Parties shall not issue any such press release or make any such written public or private statement prior to such consultation, except as may be required by applicable Law or by obligations pursuant to any listing agreement with a stock exchange and only after using its reasonable efforts to consult with the other Parties taking into account the time constraints to which it is subject as a result of such Law or obligation.

#### **Section 11.8 Further Assurances**

Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

#### **Section 11.9 Entire Agreement**

This Agreement, together with the Ancillary Agreements (when entered into in accordance with the terms of this Agreement), the DPM Subco Services Agreement and the Delegation Services Agreement, constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement, any Ancillary Agreement or the Confidentiality Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement, the Ancillary Agreements and the Confidentiality Agreement.

#### **Section 11.10 Severability**

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

#### **Section 11.11 Time**

Subject only to Section 11.1, time is of the essence in this Agreement.

#### **Section 11.12 Counterpart Execution**

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

#### **Section 11.13 Investigation by Parties**

No investigations made by or on behalf of any Party or any of its respective authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by another Party in or pursuant to this Agreement.

***[The remainder of this page has been intentionally left blank]***

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

QUEENSLAND MINERALS LTD.

By: 

Name: James Crombie

Title: CEO

DUNAV HOLDINGS COOPERATIEF U.A.

By: 

Name: James Crombie

Title:

DUNDEE PRECIOUS METALS INC.

By: 

Name: Jonathan Goodman

Title: President and Chief Executive Officer

**SCHEDULE "A"**  
**FORM OF STANDSTILL AGREEMENT**

**STANDSTILL AGREEMENT**

**THIS STANDSTILL AGREEMENT** dated as of ●, 20● is made between Dundee Precious Metals Inc. ("**DPM**") and Queensland Minerals Ltd. ("**QML**").

**WHEREAS** DPM and QML have entered into an option and acquisition agreement dated ●, 2010 (the "**Option Agreement**") pursuant to which QML has acquired from DPM all the shares Ivanhoe Balkans Ltd. held by DPM in exchange for a consideration consisting of securities of QML (the "**Transaction**").

**NOW THEREFORE** in consideration of the covenants set forth below, the parties hereby agree as follows:

**1.     Standstill**

For a period commencing upon the completion of the Transaction and ending on the earlier of (i) the date DPM holds less than 20% of QML's outstanding common shares (on a non-diluted basis) and (ii) four (4) years after the date of this Agreement, DPM shall not, either directly, through a subsidiary (as defined in the Securities Act (Ontario)) or with any third party acting jointly or in concert with DPM, without the prior written consent of QML (which consent may be given or withheld by QML in its sole discretion), acquire any common shares ("**QML Shares**") of QML if, after giving effect thereto, its direct or indirect beneficial ownership (as defined in section 90(1) of the Securities Act (Ontario)) of the QML Shares would exceed its percentage ownership of the outstanding QML Shares immediately following the Closing as defined in the Option Agreement (currently calculated to be approximately 47.5%)(calculated without giving effect to the issuance of QML Shares issuable upon the exercise of any convertible securities ), provided that the foregoing shall not apply:

- (i) from the time of the announcement, and for the duration, of a take-over bid made by an offeror, other than DPM, to all or substantially all of the shareholders of QML to purchase at least 50% of the number of QML Shares then issued and outstanding; or
- (ii) if DPM makes a take-over bid to all or substantially all of the shareholders of QML to purchase all of the QML Shares then issued and outstanding, which take-over bid shall be open for acceptance for a period of at least the minimum period required by Canadian securities Laws; or
- (iii) and provided further, in the case of subparagraph (b)(i) above, that if the take-over bid is withdrawn or is unsuccessful, from the time of such withdrawal or the announcement by the offeror that it has been unsuccessful, the foregoing shall re-apply (substituting DPM's then beneficial ownership (as defined in section 90(1) of the Securities Act (Ontario))) of the QML Shares (calculated without giving effect to the issuance of convertible securities) if such beneficial ownership is greater than its percentage ownership of the outstanding QML Shares immediately following the closing of the Amalgamation).

**2. Dundee Group**

Nothing in this Agreement shall restrict Dundee Corporation or any affiliate, associate or subsidiary (all as defined in the Securities Act (Ontario)) thereof (other than DPM or a DPM subsidiary) or any of their officers, directors and employees (collectively called the “**Dundee Group**”), in any manner whatsoever, including, without limitation, acting as a financial advisor or engaging in brokerage, investment, money management and other business transactions and activities, including without limitation, transactions involving investment portfolios of pension and mutual funds, insurance companies and investment companies.

**3. Severability**

Each of the provisions of this Agreement shall be separate and distinct and, if any provision of this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions hereof shall not be affected or impaired thereby.

**4. No Assignment**

Neither party may assign this Agreement, whether by operation of law or otherwise, without the prior written consent of the other party, which consent may be withheld for any reason.

**5. Notices**

Notices authorized or required by this Agreement to be given shall be in writing and shall be delivered by hand or by facsimile as follows:

If to Dundee:

Dundee Precious Metals Inc.  
Suite 3060  
Royal Bank Plaza, South Tower  
200 Bay Street  
Toronto, Ontario  
M5J 2J1

Attention: Lori Beak  
Fax: (416) 365-9080

with a copy to (which shall not constitute notice to Dundee):

Cassels Brock & Blackwell LLP  
2100 Scotia Plaza  
40 King Street West,  
Toronto, ON M5H 3C2

Attention: André Boivin  
Facsimile: (416) 640-3157

If to QML:

Queensland Minerals Ltd.  
1111 Saint-Charles Street West

West Tower, Suite 411  
Longueuil, Québec J4K 5G4

Attention: Carole Plante  
Facsimile: (450) 677-2601

with a copy to (which shall not constitute notice to QML):

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, Ontario M5L 1B9

Attention: Raymond A. McDougall  
Facsimile: (416) 947-0866

**6. Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. Each party shall be entitled to rely on delivery of a facsimile copy of this Agreement, and acceptance by either party of a facsimile copy of this Agreement shall create a legal, valid and binding agreement between Dundee and QML in accordance with the terms hereof.

**7. Governing Law and Attornment**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the parties hereof irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

IN WITNESS WHEREOF the parties have entered into this Agreement as of the date first above written.

**DUNDEE PRECIOUS METALS INC.**

**QUEENSLAND MINERALS LTD.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE "B"**  
**FORM OF QUALIFICATION RIGHTS AGREEMENT**

**QUALIFICATION AGREEMENT**

**THIS QUALIFICATION AGREEMENT** made this ● day of ●, 20●.

**BETWEEN:**

**QUEENSLAND MINERALS LTD.**

a corporation existing under the laws of British Columbia,  
(hereinafter called the "**Corporation**")

OF THE FIRST PART

- and -

**DUNDEE PRECIOUS METALS INC.**

a corporation existing under the laws of Canada,  
(hereinafter called "**DPM**")

OF THE SECOND PART

**RECITALS:**

A. Pursuant to an option and acquisition agreement dated the ● day of ●, 2010 (the "**Option Agreement**") between the Corporation, DPM and Dunav Holdings Cooperatief U.A. ("**Dunav**"), DPM sold and Dunav purchased (the "**Purchase**") on the date hereof, all of DPM's right, title and interest in and to certain properties located in Serbia and certain assets relating thereto by way of purchase and sale of the shares of Ivanhoe Balkans Ltd. ("**Ivanhoe**").

B. As part of the consideration for the sale by DPM of the shares of Ivanhoe, the Corporation issued ● common shares ("**Vendor Shares**") and ● warrants ("**Vendor Warrants**") to DPM.

C. Pursuant to the terms of the Option Agreement and an equity participation right agreement of even date, DPM may be issued additional securities of the Corporation in certain circumstances as contemplated by such agreements.

D. It was a condition of the closing of the Purchase contemplated by the Option Agreement that DPM and the Corporation enter into this Agreement.

**THIS AGREEMENT WITNESSES THAT** in consideration of the respective covenants, agreements, representations, warranties and indemnities herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties covenant and agree as follows:

## **ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION**

### **1.1 Definitions**

In this Agreement, the following words and terms have the meanings set out below:

- (a) **“Affiliate”** has the meaning given to it in the *Securities Act* (Ontario);
- (b) **“Business Day”** means a day that is not a Saturday, Sunday or statutory holiday in the provinces of British Columbia or Ontario;
- (c) **“Canadian Demand Qualification”** means the qualification of Registrable Securities by the Corporation pursuant to Section 2.1;
- (d) **“Canadian Piggy-Back Qualification”** means the qualification of Registrable Securities by the Corporation pursuant to Section 2.2;
- (e) **“Canadian Securities Laws”** means all applicable securities laws in the Qualifying Jurisdictions and the respective regulations made thereunder, together with applicable fee schedules, prescribed forms, policy statements, orders, rules, blanket rulings and other regulatory instruments of the securities regulatory authorities in the Qualifying Jurisdictions and all applicable rules and policies of applicable stock exchanges;
- (f) **“Common Shares”** means the common shares in the capital of the Corporation;
- (g) **“DPM’s Ownership Percentage”** means with respect to DPM, at any time, the ratio, expressed as a percentage, of:
  - (i) the number of Common Shares then beneficially or deemed to be beneficially owned by DPM and its subsidiaries, over
  - (ii) the total number of Common Shares then outstanding.
- (h) **“Qualifying Jurisdictions”** means the provinces and territories of Canada (except Québec) in which Registrable Securities, Common Shares or other equity securities (or securities convertible into equity securities), are proposed to be distributed pursuant to Section 2.1 or 2.2, respectively;
- (i) **“Receipt Date”** means the date on which a final receipt is issued in respect of a prospectus by or on behalf of the securities regulatory authority in the Qualifying Jurisdictions;

- (j) **“Recognised Stock Exchange”** means the TSX Venture Exchange, the Toronto Stock Exchange or other stock exchange on which the Common Shares are then listed;
- (k) **“Registrable Securities”** means, at any time, Common Shares acquired by DPM whether pursuant to the Option Agreement and the equity participation agreement, on the exercise of the Vendor Warrants, or other rights provided pursuant to the Option Agreement;
- (l) **“Subsidiary”** has the meaning given to it in the *Securities Act* (Ontario);
- (m) **“Underwriter Cutback”** means the right of the underwriters to exclude Registrable Securities in an underwritten offering pursuant to Section 5.4; and
- (n) **“Violation”** has the meaning set out in Section 7.1.

## 1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Consent** - Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit then, unless otherwise specified, the party whose consent or approval is required is conclusively deemed to have withheld its approval or consent.
- (b) **Applicable Law** - This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the province of Ontario and the federal laws of Canada applicable therein, and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of the province of Ontario.
- (c) **Sections and Headings** - The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article or Section refers to the specified Article or Section of this Agreement.
- (d) **Including** - Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.
- (e) **Number, Gender and Persons** - In this Agreement, words importing the singular number only shall include the plural and *vice versa*, words importing gender shall include all genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.
- (f) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable,

such provision is, as to such jurisdiction, ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

- (g) **Statutory References** - A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation that amends, supplements or supersedes any such statute or any such regulation.
- (h) **Time** - Time is of the essence of this Agreement.
- (i) **Time Periods** - Unless otherwise specified, time periods within or following which any act is to be done are calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of the period is not a Business Day.
- (j) **No Strict Construction** - The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.
- (k) **Currency** - Unless otherwise indicated, all dollar amounts referred to in this Agreement are expressed in Canadian dollars.

### 1.3 Entire Agreement

This Agreement constitutes the entire understanding of the parties with respect to the subject matter of this Agreement and supersedes any and all prior understandings and agreements, including the Option Agreement, whether written or oral, with respect to such subject matter. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided herein.

## ARTICLE 2 QUALIFICATION RIGHTS

### 2.1 Canadian Demand Qualification

Subject to Article 3 and only when and so long as DPM's Ownership Percentage exceeds 20% or DPM is otherwise considered a control person as such term is defined under the *Securities Act* (Ontario), if the Corporation receives a written request from DPM that the Corporation file a prospectus under Canadian Securities Laws qualifying the distribution of the number of Registrable Securities specified in the request, then the Corporation will (i) if the Corporation is not eligible to file a short form prospectus under National Instrument 44-101 ("NI 44-101") of the Canadian securities administrators, within 50 Business Days, and (ii) if the Corporation is eligible to file a short form prospectus under NI 44-101 within 20 Business Days following

receipt of the request, prepare and file in the Qualifying Jurisdictions a preliminary prospectus in order to qualify the distribution of the Registrable Securities specified in the request.

## **2.2 Additional Canadian Piggy-Back Qualification**

Only when and so long as DPM's Ownership Percentage exceeds 20% or DPM is otherwise considered a control person as such term is defined under the *Securities Act* (Ontario), if, at any time, the Corporation proposes to file a preliminary prospectus under Canadian Securities Laws in connection with the sale of any of its Common Shares or other equity securities (or securities convertible into equity securities) in connection with the public offering of such securities solely for cash, the Corporation will, at all such times, promptly give DPM written notice of such filing. Upon the written request of DPM, given within two Business Days after receipt of such notice by DPM, the Corporation will, subject to the Underwriter Cutback, use its commercially reasonable efforts to cause all of the Registrable Securities that DPM has requested to be included in the filing to be included in and sold pursuant to the prospectus filed in the Qualifying Jurisdictions.

## **ARTICLE 3 LIMITS ON QUALIFICATION RIGHTS**

### **3.1 Exceptions to Qualification Rights**

The Corporation:

- (a) is not required to effect a Canadian Demand Qualification for a period of up to 90 days if, at the time of the request for such qualification the Corporation is engaged, or has firm plans to engage (as evidenced by a signed engagement letter) in a firm commitment underwritten public offering of Common Shares in which DPM is entitled to include (subject to the Underwriter Cutback) Registrable Securities pursuant to a Canadian Piggy-Back Qualification,
- (b) is not required to effect a Canadian Demand Qualification if the filing of a prospectus would cause a violation of Canadian Securities Laws;
- (c) is not required to effect a Canadian Demand Qualification if the anticipated aggregate net proceeds of the offering to DPM are less than \$1,000,000 (net of discounts and commissions);
- (d) may defer a Canadian Demand Qualification, if the board of directors of the Corporation determines that such qualification or registration would require the disclosure of material information that the Corporation has a *bona fide* business purpose for preserving as confidential, until 10 days following the date upon which such material information is disclosed to the public or ceases to be material;
- (e) shall be entitled to postpone (but not more than once in any twelve month period), for a reasonable period of time, not in excess of 120 calendar days, the filing of a Prospectus with Canadian securities regulatory authorities if the Corporation delivers to DPM a certificate signed by two senior officers of the Corporation

certifying that, in the good faith judgment of the board of directors of the Corporation, the filing of such Prospectus and offering would reasonably be expected to materially adversely affect or materially interfere with any bona fide material financing of the Corporation or any material transaction under consideration by the Corporation or would require disclosure of material information that has not been disclosed to the public, the premature disclosure of which would materially adversely affect the Corporation. Such certificate shall contain a statement of the reasons for such postponement and an approximation of the anticipated delay. If the Corporation shall so postpone the filing of a Prospectus filed with Canadian securities regulatory authorities, DPM shall have the right to withdraw the request for registration by giving written notice to the Corporation.

## **ARTICLE 4 EXPENSES**

### **4.1 Expenses**

DPM will be solely responsible for the expenses of a Canadian Demand Qualification provided however that, if DPM withdraws a qualification request with respect to a Canadian Demand Qualification because DPM has learned of a material adverse change in the condition, business or prospects of the Corporation other than in the Corporation's publicly filed continuous disclosure documents or otherwise known to DPM at the time of its request or of an undisclosed material fact concerning the Corporation (other than a change in market demand for its Common Shares or in the market price of the Common Shares) that makes the proposed offering unreasonable in the good faith judgment of DPM, the expenses associated with the Canadian Demand Qualifications shall be for the account of the Corporation. DPM and the Corporation will be responsible for the expenses in connection with any Canadian Piggy-Back Qualification on a pro rata basis in proportion to their respective share in the gross proceeds of the offering.

### **4.2 Underwriting Discounts and Commissions**

All underwriting discounts and selling commissions relating to Registrable Securities included in any Canadian Demand Qualification or Canadian Piggy-Back Qualification will be borne and paid by DPM.

## **ARTICLE 5 UNDERWRITING**

### **5.1 Underwriting in Demand Qualification or Registration**

If DPM intends to distribute Registrable Securities covered by its request for a Canadian Demand Qualification by means of an underwriting, it will so advise the Corporation as part of its request for such qualification. In such event, DPM, together with the Corporation as required under this Agreement, shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Corporation and reasonably

acceptable to DPM. If such underwriter or underwriters are not reasonably acceptable to DPM, DPM may select an underwriter or underwriters which is or are reasonably acceptable to the Corporation.

## **5.2 Underwriting in Piggy-Back Qualification or Registration**

In connection with any offering pursuant to a Canadian Piggy-Back Qualification involving an underwriting of Common Shares or equity securities (or securities convertible into equity securities) being issued by the Corporation, subject to the terms of this Agreement, the Corporation will include in such underwriting any Registrable Securities that DPM wishes to include, but only if DPM accepts the terms of the underwriting as agreed upon between the Corporation and the underwriter(s) selected by it.

## **5.3 Limitations**

DPM is not required, in connection with any underwriting agreement entered into pursuant to Section 5.1 or Section 5.2, (i) to make any representations or warranties or (ii) provide indemnification, in each case except as they relate to DPM's ownership of shares and authority to enter into the underwriting agreement, to DPM's intended method of distribution and to DPM's compliance with applicable Canadian Securities Laws with respect to (a) information provided by DPM for use in the prospectus and (b) DPM's sale of its shares.

## **5.4 Underwriter Cutback**

If the underwriter for the offering in connection with:

- (a) a Canadian Demand Qualification, advises DPM in writing that marketing factors require a limitation of the number of Common Shares to be underwritten, then DPM will so advise the Corporation and the Corporation is required to include in the qualification only the number of Registrable Securities that the underwriter believes marketing factors allow;
- (b) a Canadian Piggy-Back Qualification, advises the Corporation in writing that marketing factors require a limitation of the number of Common Shares to be underwritten, then the Corporation is required to include in the qualification only the number of Registrable Securities that the underwriter believes marketing factors allow.

# **ARTICLE 6 OBLIGATIONS OF THE CORPORATION**

## **6.1 Effecting a Qualification**

If the Corporation is required under this Agreement to use its commercially reasonable efforts to effect a Canadian Demand Qualification, the Corporation will, as expeditiously as reasonably practicable (in accordance with Section 2.1), prepare and file with the Qualifying Jurisdictions a preliminary prospectus and a (final) prospectus with respect to the Registrable Securities that are the subject matter of such qualification and use, subject to the other provisions of this

Agreement, its commercially reasonable efforts to obtain a receipt in respect of the final prospectus and, upon the request of DPM, keep such prospectus effective for up to 30 days or until such earlier time at which DPM has informed the Corporation in writing that the distribution of such Registrable Securities has been completed. DPM shall have the obligation to advise the Corporation immediately upon completion of a distribution of Registrable Securities.

## **6.2 Additional Obligations for Canadian Qualifications**

In addition to its obligations under Section 6.1 and Section 6.2, if the Corporation is required under this Agreement to effect a Canadian Demand Qualification, the Corporation will:

- (a) use its commercially reasonable efforts to resolve any regulatory comments and satisfy any regulatory deficiencies in respect of the preliminary prospectus and, as soon as reasonably practicable after such comments or deficiencies have been resolved or satisfied, prepare and file, and use its commercially reasonable efforts to obtain a receipt in the Qualifying Jurisdictions for, the (final) prospectus, and take all other steps and proceedings necessary in order to qualify the distribution of the Registrable Securities to the public as freely tradable securities in the Qualifying Jurisdictions;
- (b) ensure that the prospectus contains the disclosure required by, and conforms in all material respects to the requirements of, Canadian Securities Laws and furnish to DPM copies of each of the preliminary prospectus and (final) prospectus and such other documents as it may reasonably request to facilitate the distribution of the Registrable Securities;
- (c) prepare and file with the securities regulatory authority in the Qualifying Jurisdictions any amendments and supplements to the (final) prospectus that may be necessary to comply with Canadian Securities Laws with respect to the distribution of all securities qualified by such prospectus;
- (d) in the case of an underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;
- (e) furnish, at the request of DPM:
  - (i) on the date that such Registrable Securities are delivered to the underwriters for sale in connection with an offering pursuant to this Agreement, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date such securities are distributed, an opinion or opinions, dated such date, of counsel representing the Corporation for the purposes of such offering, in form and substance as is customarily given by company counsel to the underwriters in an underwritten public offering, addressed to the underwriters, if any, and to DPM; and

- (ii) prior to the filing of a final prospectus, a letter, from the auditors of the Corporation, in form and substance as is customarily given by auditors to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to DPM (and at the closing of such transaction, the Corporation shall furnish a customary bring down letter from the auditors), but only if DPM has made such representations and furnished such undertakings as such auditors reasonably require providing such letter; and
- (f) keep DPM reasonably advised of the status of such qualification.

### **6.3 Furnishing Information**

The obligations of the Corporation to take any action pursuant to this Agreement in respect of the Registrable Securities are conditional upon DPM furnishing to the Corporation such information regarding itself, the Registrable Securities and the intended method of disposition of such securities, as is required to effect the qualification of the Registrable Securities. Without limiting the foregoing, but subject to Article 5, DPM may not participate in any qualification hereunder which is underwritten unless DPM: (i) agrees to sell Registrable Securities on the basis provided in any underwriting arrangements (including, without limitation, pursuant to the terms of any over-allotment or “green shoe” option requested by the managing underwriter(s), provided that DPM will not be required to sell more than the number of Registrable Securities that DPM has requested the Corporation to include in any registration), (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements, and (iii) cooperates with the Corporation’s reasonable requests in connection with such registration or qualification (it being understood that the Corporation’s failure to perform its obligations hereunder, where failure is caused by DPM’s failure to cooperate, will not constitute a breach by the Corporation of this Agreement).

### **6.4 No Obligation to Complete Offering**

The Corporation is under no obligation to complete any offering of securities it proposes to distribute in connection with a Canadian Piggy-Back Qualification and will incur no liability to DPM for its failure to do so.

## **ARTICLE 7 INDEMNIFICATION**

### **7.1 Indemnification by Corporation**

- (a) If any Registrable Securities are included in a prospectus under this Agreement, the Corporation will indemnify and hold harmless, to the extent permitted by law, DPM, the officers, directors, agents and employees of DPM, any underwriter (as defined in Canadian Securities Laws) for DPM and each person, if any, that controls or is deemed to control DPM or such underwriter under Canadian

Securities Laws, against any losses (other than loss of profit), claims, damages or liabilities (joint or several) to which any of them may become subject under Canadian Securities Laws or any other applicable law, insofar as such losses, claims, damages or liabilities (or actions in respect of them) arise out of or are based upon any of the following statements, omissions or violations (each a **"Violation"**):

- (i) any untrue statement or alleged untrue statement of a material fact contained in such prospectus or any amendments or supplements to such prospectus; or
  - (ii) the omission or alleged omission to state in the prospectus a material fact required to be stated in it or necessary to make the statements in it, in light of the circumstances in which they were made, not misleading.
- (b) The Corporation will reimburse DPM and each such officer, director, agent, employee, underwriter or controlling person or deemed controlling person for any legal or other out-of-pocket expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability, or action.
- (c) The Corporation is not liable under the indemnity contained in this Section 7.1:
  - (i) in respect of amounts paid in settlement of any loss, claim, damage, liability or action if such settlement is effected without the consent of the Corporation (which consent may not be unreasonably withheld or delayed);
  - (ii) to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with information furnished expressly for use in connection with such qualification by or on behalf of DPM or such underwriter; or
  - (iii) in the case of a sale effected directly by DPM (including a sale of Registrable Securities through any underwriter retained by DPM engaging in a distribution solely on behalf of DPM), where:
    - (A) such untrue statement or alleged untrue statement or omission or alleged omission was contained in a preliminary prospectus and corrected in a (final) or amended prospectus; and
    - (B) DPM failed to deliver a copy of the (final) or amended prospectus at or prior to the confirmation of the sale of the Registrable Securities to the person asserting any such loss, claim, damage or liability in any case in which such delivery is required by Canadian Securities Laws.

## 7.2 Indemnification by DPM

- (a) DPM on any sale of Registrable Securities pursuant to this Agreement will furnish to the Corporation in writing such information, documentation and affidavits as the Corporation reasonably requests for use in connection with any such prospectus. DPM will indemnify and hold harmless, to the extent permitted by law, the Corporation, each of its directors, officers, employee, agent, and any underwriter for the Corporation, and any other shareholder selling securities in such prospectus or any of their respective directors, officers, partners, limited partners, members, agents or employees or such underwriter, against any losses (other than loss of profits), claims, damages, or liabilities (joint or several) to which the Corporation or any such director, officer, employee, agent or underwriter or other such shareholder, director or officer may become subject, under Canadian Securities Laws or other applicable law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case only to the extent that such Violation occurs in reliance upon and in conformity with written information furnished by or on behalf of DPM expressly for use in connection with such qualification.
- (b) DPM will reimburse any legal or other expenses reasonably incurred by the Corporation or any such director, officer of the Corporation, employee, agent, underwriter or other shareholder or their respective officers, directors, partners, limited partners, members, agents, employees, or controlling persons in connection with investigating or defending any such loss, claim, damage, liability, or action.
- (c) DPM is not liable under the indemnity contained in this Section 7.2:
  - (i) in respect of amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of DPM (which consent may not be unreasonably withheld or delayed);
  - (ii) in the case of a sale effected directly by the Corporation of its Common Shares (including a sale of such Common Shares through any underwriter retained by the Corporation to engage in a distribution solely on behalf of the Corporation), where:
    - (A) such untrue statement or alleged untrue statement or omission or alleged omission was contained in a preliminary prospectus and corrected in a (final) or amended prospectus; and
    - (B) the Corporation failed to deliver a copy of the (final) or amended prospectus at or prior to the confirmation of the sale of the securities to the person asserting any such loss, claim, damage or liability in any case in which such delivery is required by Canadian Securities Laws.

### **7.3 Indemnification Procedure**

- (a) Promptly after receipt by an indemnified party under this Article 7 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect of such action is to be made against any indemnifying party under this Article 7, deliver to the indemnifying party a written notice of the commencement of the action, and the indemnifying party may participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, assume and control the defence of such action with counsel mutually satisfactory to the parties.
- (b) An indemnified party may retain its own counsel, with the reasonable fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests, as reasonably determined by either party, between such indemnified party and any other party represented by such counsel in such proceeding.
- (c) The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, will relieve such indemnifying party of any liability to the indemnified party under this Article 7 to the extent of such prejudice.

### **7.4 Contribution**

If the indemnification provided for in this Article 7 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to in this Agreement, then the indemnifying party, in lieu of indemnifying such indemnified party under this Agreement, will contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party is to be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

### **7.5 Survival of Indemnities**

The obligations of the Corporation and DPM under this Article 7 shall survive the completion of any offering of Registrable Securities, whether under a prospectus or under this Agreement or otherwise.

## **ARTICLE 8 ASSIGNMENT OF REGISTRATION RIGHTS**

### **8.1 Assignment**

The rights of DPM under this Agreement may be assigned by it to an Affiliate to which DPM has transferred its Registrable Securities.

### **8.2 Conditions to Assignment**

Any assignee to whom rights under this Agreement are assigned will, as a condition to such assignment, promptly deliver to the Corporation a written instrument by which: (i) such assignee provides the Corporation with its name, address and authorized contact person(s) and (ii) such assignee agrees to be bound by the obligations imposed upon DPM under this Agreement to the same extent as if such assignee were DPM under this Agreement. Upon assignment of its rights hereunder, DPM will cease to have any rights under this Agreement but shall remain subject to its obligations under Article 7.

## **ARTICLE 9 MISCELLANEOUS PROVISIONS**

### **9.1 Limitations on Subsequent Registration Rights**

From and after the date of this Agreement, the Corporation will not, without the prior written consent of DPM, enter into any agreement with any holder or prospective holder of any securities of the Corporation relating to qualification or registration rights unless such agreement includes:

- (a) to the extent such agreement would allow such holder or prospective holder to include such securities in any prospectus filed under this Agreement, a provision that such holder or prospective holder may include such securities in any such prospectus or registration only to the extent that the inclusion of its securities will not reduce the amount of the Registrable Securities that would otherwise be included;
- (b) a provision that permits DPM to include, in any qualification or registration of the holder or prospective holder and in any underwriting involved with it, Registrable Securities *pro rata* with the sellers of securities in such qualification based on the number of Common Shares (calculated on an as-converted basis) to be included therein; and
- (c) a provision requiring that any such qualification or registration of securities is subject to the underwriting requirements described in this Agreement.

## **9.2 No Prior Registration Rights**

The Corporation represents and warrants to DPM that no qualification or registration rights relating to securities of the Corporation have been granted by the Corporation prior to, or are being granted concurrently with, the execution of this Agreement.

## **9.3 Amending or Supplementing Prospectuses**

Notwithstanding anything to the contrary contained herein, whenever a distribution under a prospectus qualifying Registrable Securities pursuant to this Agreement has not been completed, and the Corporation determines that, based upon advice of counsel, such prospectus requires amendment or supplementing, (a) the Corporation will notify DPM of such fact and will promptly cause such prospectus to be amended or supplemented, as the case may be, and will notify DPM when such amendment or supplement has been filed, (b) DPM will not sell any Registrable Securities until such notice of filing is provided, and (c) if the board of directors of the Corporation determines in its reasonable discretion that it would not be in the best interests of the Corporation to so amend or supplement the prospectus at such time, the Corporation is entitled to delay the filing of such amendment or supplement for a period not to exceed 30 days.

## **9.4 Termination of Registration Rights**

Except as contemplated in section 7.5, this Agreement shall terminate on the date DPM's Ownership Percentage no longer equals or exceeds 20%, as long as it is not otherwise considered a "control person" as such term is defined under the *Securities Act* (Ontario) in the written opinion of legal counsel reasonably acceptable to DPM and the Corporation.

## **9.5 Merger, Etc.**

Upon any merger, amalgamation, consolidation, arrangement or other reorganization involving the Corporation in which DPM receives, in exchange for its Common Shares, securities of any entity that are not freely tradable, the rights of DPM under this Agreement remain in effect except that such rights relate to the securities received by DPM upon such exchange.

# **ARTICLE 10 GENERAL**

## **10.1 Notices**

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by telecopy or similar means of recorded electronic communication, addressed as follows:

- (a) if to the Corporation:

1111 Saint-Charles Street West  
West Tower, Suite 411  
Longueuil, Québec J4K 5G4

Attention: Carole Plante  
Facsimile: (450) 677-2601

with a copy to (which shall not constitute notice to the Corporation):

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, Ontario M5L 1B9

Attention: Raymond A. McDougall  
Facsimile: (416) 947-0866

(b) if to DPM:

Dundee Precious Metals Inc.  
President & Chief Executive Officer  
Royal Bank Plaza  
South Tower, Suite 3060  
200 Bay Street  
Toronto, Ontario M5J 2J1

Attention: Lori Beak  
Facsimile: 416-365-9080

with a copy to (which shall not constitute notice to DPM):

Cassels Brock & Blackwell LLP  
2100 Scotia Plaza  
40 King Street West,  
Toronto, ON M5H 3C2

Attention: André Boivin  
Facsimile: (416) 640-3157

## **10.2 Amendments, Waivers and Consents**

No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

### **10.3 Binding Effect**

This Agreement enures to the benefit of and is binding upon the successors (including any successor by reason of amalgamation of any party) and permitted assigns of the parties to this Agreement.

### **10.4 Execution and Delivery**

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles shall together constitute an original and all of which taken together shall constitute one and the same agreement.

**IN WITNESS WHEREOF** DPM and the Corporation have executed this Agreement as of the date first written above.

**QUEENSLAND MINERALS LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**DUNDEE PRECIOUS METALS INC.**

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "C"**  
**MINERAL LICENSES**

**Part A. Mineral Licenses**

Grouping:

**SURDULICA**

**Brezovica**

|   |            |            |
|---|------------|------------|
| 1 | 4706000.00 | 7590000.00 |
| 2 | 4706000.00 | 7601000.00 |
| 3 | 4697000.00 | 7601000.00 |
| 4 | 4697000.00 | 7590000.00 |

Expiry date: 15 May 2011

**Karamanica**

|   |            |            |
|---|------------|------------|
| 1 | 4694000.00 | 7614550.00 |
| 2 | 4694000.00 | 7619000.00 |
| 3 | 4693000.00 | 7619000.00 |
| 4 | 4690800.00 | 7617250.00 |
| 5 | 4690800.00 | 7614550.00 |

Expiry date: 31 May 2011

**Masurica**

|   |            |            |
|---|------------|------------|
| 1 | 4726750.00 | 7598100.00 |
| 2 | 4727200.00 | 7603500.00 |
| 3 | 4727200.00 | 7605600.00 |
| 4 | 4717400.00 | 7605600.00 |
| 5 | 4717400.00 | 7596000.00 |
| 6 | 4724000.00 | 7596000.00 |

Expiry date: 31 May 2011

**Slivnica**

|   |            |            |
|---|------------|------------|
| 1 | 4714000.00 | 7590000.00 |
| 2 | 4714006.00 | 7596439.00 |
| 3 | 4712278.00 | 7596439.00 |
| 4 | 4710070.00 | 7599905.00 |
| 5 | 4706006.00 | 7600001.00 |
| 6 | 4706000.00 | 7590000.00 |

Expiry date: 31 May 2011

**Surdulica**

|    |            |            |
|----|------------|------------|
| 1  | 4736900.00 | 7595550.00 |
| 2  | 4737000.00 | 7602350.00 |
| 3  | 4734700.00 | 7602350.00 |
| 4  | 4734700.00 | 7603200.00 |
| 5  | 4730450.00 | 7604400.00 |
| 6  | 4730450.00 | 7603450.00 |
| 7  | 4727200.00 | 7603500.00 |
| 8  | 4726750.00 | 7598100.00 |
| 9  | 4728100.00 | 7598500.00 |
| 10 | 4728750.00 | 7596550.00 |

Expiry date: 3 March 2011

**Tulare**

|   |            |            |
|---|------------|------------|
| 1 | 4741270.00 | 7535144.00 |
| 2 | 4741270.00 | 7538657.00 |
| 3 | 4737900.00 | 7538599.00 |
| 4 | 4737900.00 | 7535144.00 |

Expiry date: 31 March 2011

**SCHEDULE "D"**  
**FORM OF WARRANT CERTIFICATE**

[UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ●.]

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●.]

**WARRANT TO PURCHASE COMMON SHARES**

**OF**

**QUEENSLAND MINERALS LTD.**

(incorporated under the laws of British Columbia)

**Number ●**

Number of Warrants represented  
by this certificate: ●

**THIS CERTIFIES THAT**, for value received, [Roytor & Co. for the account of T13155201 Ref: Fund I.D. #H61W, Royal Bank of Canada, Royal Bank Plaza, SL Level, South Tower, 200 Bay Street, Ontario, M5J 2J5] (the "**Holder**"), being the registered holder of these warrants ("**Warrants**") is entitled, at any time prior to 5:00 p.m. (Toronto time) on the Expiry Day (as defined below) to subscribe for and purchase the number of common shares (the "**Warrant Shares**") of Queensland Minerals Ltd. (the "**Company**") set forth above on the basis of one Warrant Share at a price of \$● (the "**Exercise Price**") for each Warrant exercised, subject to adjustment as set out herein, by surrendering to the Company at its principal office, 1111 Saint-Charles Street West, West Tower, Suite 411, Longueuil, Québec J4K 5G4, this Warrant certificate (the "**Warrant Certificate**"), with a completed and executed subscription form, and payment in full for the Warrant Shares being purchased.

The Company shall treat the Holder as the absolute owner of this Warrant for all purposes and the Company shall not be affected by any notice or knowledge to the contrary. The Holder shall be entitled to the rights evidenced by this Warrant free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder and all persons may act accordingly and the receipt by the Holder of the Warrant Shares issuable upon exercise hereof shall be a good discharge to the Company and the Company shall not be bound to inquire into the title of any such Holder.

1. **Definitions:** In this Warrant Certificate, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings namely:

- (a) “Adjustment Period” means the period commencing on the date hereof and ending at the Expiry Time;
- (b) “Business Day” means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are closed in Toronto, Ontario or Vancouver, British Columbia;
- (c) “Common Shares” means the common shares of the Company as such shares are constituted on the date hereof, as the same may be reorganized, reclassified or otherwise changed pursuant to any of the events set out in Section 11 hereof;
- (d) “Company” means Queensland Minerals Ltd., a company incorporated under the laws of British Columbia and its successors and assigns;
- (e) “Current Market Price” of a Common Share at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the TSXV for the 20 Trading Days prior to the relevant date or, if the Common Shares are not listed on the TSXV, on any other stock exchange on which such shares are then listed as may be selected by the directors of the Company or, if the Common Shares are not listed on any stock exchange, then on the over-the-counter market with the weighted average price per Common Share being determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said 20 Trading Days by the aggregate number of Common Shares so sold or, if the Common Shares are not listed or quoted on any stock exchange or over-the-counter market, such price as may be determined by the directors of the Company;
- (f) “Dividends Paid in the Ordinary Course” means dividends paid in any financial year of the Company, whether in (i) cash; (ii) shares of the Company; (iii) warrants or similar rights to purchase any shares of the Company or property or other assets of the Company provided that the value of such dividends does not in such financial year exceed the greater of:
  - (i) 10% of the aggregate amount or value of dividends paid by the Company on the Common Shares in the 12 month period ended immediately prior to the first day of such financial year,
  - (ii) 25% of the consolidated net earnings from continuing operations of the Company, before any extraordinary items, for the 12 month period ended immediately prior to the first day of such financial year (such consolidated net earnings from continuing operations to be computed in accordance with generally accepted accounting principles in Canada), and
  - (iii) 10% of shareholders’ equity as set forth on the balance sheet of the Company’s most recent audited financial statements;
- (g) “Exercise Price” means \$● until the Expiry Time unless otherwise adjusted in accordance with the terms hereof;
- (h) “Expiry Day” means ●, subject to the earlier expiry as contemplated in Section 2 hereof;

- (i) “Expiry Time” means 5:00 p.m. (Toronto time), on the Expiry Day;
- (j) “Holder” shall have the meaning ascribed thereto on the face page hereof;
- (k) “person” means an individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative, or any group or combination thereof or any other entity whatsoever;
- (l) “TSXV” means the TSX Venture Exchange;
- (m) “Trading Day” with respect to a stock exchange, market or over-the-counter market means a day on which such stock exchange or over-the-counter market is open for business;
- (n) “U.S. Person” means U.S. person as that term is defined in Regulation S adopted by the United States Securities Exchange Commission under the U.S. Securities Act;
- (o) “U.S. Securities Act” means the *United States Securities Act of 1933*, as amended;
- (p) “Warrant” means a warrant exercisable to purchase one Common Share at the Exercise Price until the Expiry Time; and
- (q) “Warrant Share” means the Common Shares issuable upon the exercise of the Warrants.

2. **Expiry Time:** At the Expiry Time, all rights under the Warrants evidenced hereby, in respect of which the right of subscription and purchase herein provided for shall not theretofore have been exercised, shall expire and be of no further force and effect. Commencing on the date that is 180 days after the date hereof, the Company shall have the right to accelerate the expiry date of the outstanding Warrants if the closing price of the Common Shares on any stock exchange in Canada, following the expiry of 180 days after the date hereof, is higher than \$1.00 for 20 consecutive Trading Days, in which case the Expiry Date shall be the 30th day after the date on which written notice of such acceleration is received by the Holder.

3. **Exercise Procedure:**

- (a) The Holder may exercise the right to subscribe and purchase the number of Warrant Shares herein provided, by delivering to the Company prior to the Expiry Time at its principal office this Warrant Certificate, with the subscription form attached hereto duly completed and executed by the Holder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Company, together with a certified cheque or bank draft payable to or to the order of the Company in an amount equal to the aggregate Exercise Price in respect of the Warrants so exercised. Any Warrant Certificate so surrendered shall be deemed to be surrendered only upon delivery thereof to the Company at its principal office set forth herein (or to such other address as the Company may notify the Holder).
- (b) Upon such delivery as aforesaid, the Company shall cause to be issued to the Holder hereof the Warrant Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this Warrant Certificate and the Holder hereof shall become a shareholder of the Company in respect of the Warrant Shares subscribed for with effect from the date of such delivery and shall be entitled to delivery of a certificate evidencing the Warrant Shares and the Company shall cause such certificates

to be mailed to the Holder hereof at the address or addresses specified in such subscription as soon as practicable, and in any event within five (5) Business Days of such delivery.

- (c) The certificate or certificates representing Warrant Shares issued upon exercise of the Warrants represented hereby may be impressed with a legend substantially in the following form:

**[UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ●.]**

**WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●.]**

- (d) This Warrant may not be exercised in the United States or by or on behalf of a U.S. Person unless an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder of this Warrant has furnished an opinion of counsel of recognized standing in form and substance satisfactory to the Company to such effect.
4. **Partial Exercise:** The Holder may subscribe for and purchase a number of Warrant Shares less than the maximum number the Holder is entitled to purchase pursuant to the full exercise of this Warrant Certificate. In the event of any such subscription prior to the Expiry Time, the Holder shall be entitled to receive, without charge, a new Warrant Certificate in respect of the balance of the Warrant Shares which the Holder was entitled to subscribe for pursuant to this Warrant Certificate and which were then not purchased.
5. **No Fractional Shares:** Notwithstanding any adjustments provided for in Section 11 hereof or otherwise, the Company shall not be required upon the exercise of any Warrants to issue fractional Warrant Shares in satisfaction of its obligations hereunder and, in any such case, the number of Warrant Shares issuable upon the exercise of any Warrants shall be rounded down to the nearest whole number.
6. **Exchange of Warrant Certificates:** This Warrant Certificate may be exchanged for Warrant Certificates representing in the aggregate the same number of Warrants and entitling the Holder thereof to subscribe for and purchase an equal aggregate number of Warrant Shares at the same Exercise Price and on the same terms as this Warrant Certificate (with or without legends as may be appropriate).
7. **Transfer of Warrants:** Subject to the terms hereof, this Warrant may be transferred, subject to the terms set forth in the Transfer Form attached hereto. No transfer of this Warrant shall be effective unless this Warrant Certificate is accompanied by a duly executed Transfer Form or other instrument of transfer in such form as the Company may from time to time prescribe, together with such evidence of the genuineness of each endorsement, execution and

authorization and of other matters as may reasonably be required by the Company, and delivered to the Company. No transfer of this Warrant shall be made if in the opinion of counsel to the Company such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Company shall issue and mail as soon as practicable, and in any event within five (5) Business Days of such delivery, a new Warrant Certificate (with or without legends as may be appropriate) registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed.

8. **Not a Shareholder:** Nothing in this Warrant Certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Company.

9. **No Obligation to Purchase:** Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for or the Company to issue any shares except those shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein.

10. **Covenants:**

(a) The Company covenants and agrees that so long as any Warrants evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Warrant Shares to satisfy the right of purchase herein provided for, it will cause the Warrant Shares subscribed for and purchased in the manner herein provided to be issued and delivered as directed and such Warrant Shares shall be issued as fully paid and non-assessable Common Shares and the holders thereof shall not be liable to the Company or to its creditors in respect thereof.

(b) The Company covenants and agrees that until the Expiry Time, while the Warrants (or remaining portion thereof) shall be outstanding, the Company shall use its best efforts to preserve and maintain its corporate existence and its reporting issuer status in good standing.

(c) If the issuance of the Warrant Shares upon the exercise of the Warrants requires any filing or registration with or approval of any securities regulatory authority or other governmental authority or compliance with any other requirement under any law before such Warrant Shares may be validly issued (other than the filing of a prospectus or similar disclosure document), the Company agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.

(d) The Company will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as may be reasonably required for the better accomplishing and effecting of the intentions and provisions of this Warrant Certificate.

11. **Adjustments:**

(a) **Adjustment:** The rights of the holder of this Warrant, including the number of Warrant Shares issuable upon the exercise of such Warrants, will be adjusted from time to time in the events and in the manner provided in, and in accordance with the provisions of, this Section. The purpose and intent of the adjustments provided for in this Section is to

ensure that the rights and obligations of the Holder are neither diminished or enhanced as a result of any of the events set forth in paragraphs (b), (c) or (d) of this Section. Accordingly, the provisions of this Section shall be interpreted and applied in accordance with such purpose and intent.

(b) The Exercise Price in effect at any date will be subject to adjustment from time to time as follows:

(i) Share Reorganization: If and whenever at any time during the Adjustment Period, the Company shall (A) subdivide, redivide or change the outstanding Common Shares into a greater number of Common Shares, (B) consolidate, combine or reduce the outstanding Common Shares into a lesser number of Common Shares, or (C) fix a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution other than a Dividend Paid in the Ordinary Course, then, in each such event, the Exercise Price shall, on the record date for such event or, if no record date is fixed, the effective date of such event, be adjusted so that it will equal the rate determined by multiplying the Exercise Price in effect immediately prior to such date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such date before giving effect to such event, and of which the denominator shall be the total number of Common Shares outstanding on such date after giving effect to such event. Such adjustment shall be made successively whenever any such event shall occur. Any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for such stock dividend for the purpose of calculating the number of outstanding Common Shares under paragraphs 11(b)(i) and (ii) hereof.

(ii) Rights Offering: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares entitling the holders thereof, within a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, then the Exercise Price shall be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares so offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered for subscription or purchase (or into or for which the convertible or exchangeable securities so offered are convertible or exchangeable). Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such

adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 11(b)(ii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

- (iii) Distribution: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the making of a distribution to all or substantially all of the holders of Common Shares of (A) shares of any class other than Common Shares whether of the Company or any other corporation, (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares or property or other assets of the Company (other than rights, options or warrants exercisable by the holders thereof within a period expiring not more than 45 days after the record date for such issue or distribution to acquire Common Shares or securities exchangeable for or convertible into Common Shares at a price per share, or at an exchange or conversion price per share in the case of securities exchangeable for or convertible into Common Shares, of at least 95% of the Current Market Price of the Common Shares on such record date), (C) evidences of indebtedness, or (D) cash, securities or other property or assets then, in each such case and if such distribution does not constitute a Dividend Paid in the Ordinary Course, or fall under clauses (i) or (ii) above, the Exercise Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on the earlier of such record date and the date on which the Company announces its intention to make such distribution, less the aggregate fair market value (as determined by the directors, acting reasonably, at the time such distribution is authorized) of such shares or rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price. Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 11(b)(iii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants so distributed are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon such rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets actually distributed or based upon the number or amount of securities or

the property or assets actually issued or distributed upon the exercise of such rights, options or warrants, as the case may be.

- (c) Reclassifications: If and whenever at any time during the Adjustment Period, there is (A) any reclassification of or amendment to the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company (other than as described in subsection 11(b) hereof), (B) any consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other corporation resulting in any reclassification of the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company, or (C) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity, then, in each such event, the Holder of this Warrant which is thereafter exercised shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which such Holder was theretofore entitled upon such exercise, the kind and number or amount of shares or other securities or property which such Holder would have been entitled to receive as a result of such event if, on the effective date thereof, such Holder had been the registered holder of the number of Common Shares to which such Holder was theretofore entitled upon such exercise. If necessary as a result of any such event, appropriate adjustments will be made in the application of the provisions set forth in this subsection with respect to the rights and interests thereafter of the Holder of this Warrant Certificate to the end that the provisions set forth in this subsection will thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant. Any such adjustments will be made by and set forth in an instrument supplemental hereto approved by the directors, acting reasonably, and shall for all purposes be conclusively deemed to be an appropriate adjustment.
- (d) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsection 11(b) or 11(c) of this Warrant Certificate, then the number of Warrant Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Warrant Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

12. **Rules Regarding Calculation of Adjustment of Exercise Price:**

- (a) The adjustments provided for in Section 11 are cumulative and will, in the case of adjustments to the Exercise Price, be computed to the nearest whole Warrant Share and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 12.
- (b) No adjustment in the Exercise Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment in the Exercise Price is required unless such adjustment would result in a change of at least one one-hundredth of a Warrant Share; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have

been required to be made, will be carried forward and taken into account in any subsequent adjustments.

- (c) No adjustment in the Exercise Price will be made in respect of any event described in Section 11, other than the events referred to in clauses 11(1)(c), if the Holder is entitled to participate in such event on the same terms, mutatis mutandis, as if the Holder had exercised this Warrant prior to or on the effective date or record date of such event.
- (d) No adjustment in the Exercise Price will be made under Section 11 in respect of the issue from time to time of Common Shares issuable from time to time as Dividends Paid in the Ordinary Course to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend.
- (e) If at any time a question or dispute arises with respect to adjustments provided for in Section 11, such question or dispute will be conclusively determined by the auditor of the Company or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Company and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Company and the Holder. The Company will provide such auditor or chartered accountant with access to all necessary records of the Company.
- (f) In case the Company after the date of issuance of this Warrant takes any action affecting the Common Shares, other than action described in Section 11, which in the opinion of the board of directors of the Company would materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Company in their sole discretion, acting reasonably and in good faith, but subject in all cases to any necessary regulatory approval. Failure of the taking of action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Common Shares will be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances.
- (g) If the Company sets a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price will be required by reason of the setting of such record date.
- (h) In the absence of a resolution of the directors of the Company fixing a record date for any event which would require any adjustment to this Warrant, the Company will be deemed to have fixed as the record date therefor the date on which the event is effected.
- (i) As a condition precedent to the taking of any action which would require any adjustment to the Warrant Shares issuable under this Warrant, including the Exercise Price, the Company shall take any corporate action which may be necessary in order that the Company or any successor to the Company or successor to the undertaking or assets of the Company have unissued and reserved in its authorized capital and may

validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

- (j) The Company will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 11, forthwith give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.
- (k) The Company covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in Section 11 whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Company shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.
- (l) In any case that an adjustment pursuant to Section 11 shall become effective immediately after a record date for or an effective date of an event referred to herein, the Company may defer, until the occurrence and consummation of such event, issuing to the Holder of this Warrant, if exercised after such record date or effective date and before the occurrence and consummation of such event, the additional Warrant Shares or other securities or property issuable upon such exercise by reason of the adjustment required by such event, provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Warrant Shares or other securities or property upon the occurrence and consummation of such event and the right to receive any dividend or other distribution in respect of such additional Warrant Shares or other securities or property declared in favour of the holders of record of Common Shares or of such other securities or property on or after the Exercise Date or such later date as the Holder would, but for the provisions of this subsection, have become the holder of record of such additional Warrant Shares or of such other securities or property.

13. **Consolidation and Amalgamation:**

- (a) The Company shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a "successor corporation") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction the Company and the successor corporation shall have executed such instruments and done such things as the Company, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:
  - (i) the successor corporation will have assumed all the covenants and obligations of the Company under this Warrant Certificate, and

- (ii) the Warrant and the terms set forth in this Warrant Certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant Certificate.
  - (b) Whenever the conditions of subsection 13(a) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Company under this Warrant in the name of the Company or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Company may be done and performed with like force and effect by the like directors or officers of the successor corporation.
14. **Representation and Warranty:** The Company hereby represents and warrants with and to the Holder that the Company is duly authorized and has all corporate and lawful power and authority to create and issue this Warrant and the Warrant Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant Certificate represents a valid, legal and binding obligation of the Company enforceable in accordance with its terms.
15. **If Share Transfer Books Closed:** The Company shall not be required to deliver certificates for Warrant Shares while the share transfer books of the Company are properly closed, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Warrant Shares called for thereby during any such period delivery of certificates for Warrant Shares may be postponed for a period not exceeding three (3) Business Days after the date of the re-opening of said share transfer books provided that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder, if the Holder has surrendered the same and made payment during such period, to receive such certificates for the Warrant Shares called for after the share transfer books shall have been re-opened.
16. **Lost Certificate:** If the Warrant Certificate evidencing the Warrants issued hereby becomes stolen, lost, mutilated or destroyed the Company shall issue and countersign a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost mutilated or destroyed provided that the Holder shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft, shall, as a condition precedent to the issue thereof, furnish to the Company such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate as shall be satisfactory to the Company, in its sole discretion acting reasonably, and the Holder may also be required to furnish an indemnity in form satisfactory to the Company, in its sole discretion acting reasonably, and shall pay the reasonable charges of the Company in connection therewith.
17. **Governing Law:** This Warrant shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws, rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario.
18. **Severability:** If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.

19. **Amendments:** Subject to the approval of the TSXV, if applicable, the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the holders of at least 66 2/3 % of the Warrants then outstanding.
20. **Headings:** The headings of the articles, sections, subsections and clauses of this Warrant Certificate have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Warrant Certificate.
21. **Numbering of Articles, etc.:** Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Warrant Certificate.
22. **Gender:** Whenever used in this Warrant Certificate, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.
23. **Day not a Business Day:** In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.
24. **Binding Effect:** This Warrant Certificate and all of its provisions shall enure to the benefit of the Holder, its successors, assigns and legal personal representatives and shall be binding upon the Company and its successors.
25. **Notice:** Unless herein otherwise expressly provided, a notice to be given hereunder will be deemed to be validly given if the notice is sent by telecopier or prepaid same day courier addressed as follows:
- (a) If to the Holder at the latest address of the Holder as recorded on the books of the Company; and
  - (b) If to the Company at:  
  
Queensland Minerals Ltd.  
1111 Saint-Charles Street West  
West Tower, Suite 411  
Longueuil, Québec J4K 5G4  
  
Attention: Carole Plante  
Telecopier: (450) 677-2601
26. **Time of Essence:** Time shall be of the essence hereof.

**IN WITNESS WHEREOF** the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of this \_\_\_\_\_ day of \_\_\_\_\_, ●.

**QUEENSLAND MINERALS LTD.**

Per:

\_\_\_\_\_  
Authorized Signing Officer

## SUBSCRIPTION FORM

**TO:** Queensland Minerals Ltd..  
1111 Saint-Charles Street West  
West Tower, Suite 411  
Longueuil, Québec J4K 5G4

The undersigned holder of the within Warrant hereby irrevocably subscribes for \_\_\_\_\_ Warrant Shares of PJV Resources Inc. (the "Company") pursuant to the within Warrant and tenders herewith a certified cheque or bank draft for \$\_\_\_\_\_ (\$● per Warrant Share) in full payment therefor.

(Please check the **ONE** box applicable):

- A      The undersigned holder (i) at the time of exercise of the Warrant is not in the United States; (ii) is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), (iii) is not exercising the Warrant on behalf of a "U.S. person"; and (iv) did not execute or deliver this exercise form in the United States.
- B.      The undersigned holder has delivered to the Company an opinion of counsel (which will not be sufficient unless it is from counsel of recognized standing and in form and substance satisfactory to the Company) to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

The undersigned hereby directs that the Warrant Shares be issued as follows:

| NAME(S) IN FULL | ADDRESS(ES) | NUMBER OF<br>WARRANT SHARES |
|-----------------|-------------|-----------------------------|
|                 |             |                             |
|                 |             |                             |
|                 |             |                             |

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**NAME:**

\_\_\_\_\_

Signature of Authorized  
Representative:

Print Name:

\_\_\_\_\_  
\_\_\_\_\_

Please check if the certificates representing the Warrant Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which the certificates representing the Warrant Shares will be mailed to the address in the registration instructions set out above.

If any Warrants represented by this Warrant Certificate are not being exercised, a new Warrant Certificate representing the unexercised Warrants will be issued and delivered with the certificate representing the Warrant Shares.

**Notes:**

Certificates will not be registered or delivered to an address in the United States unless Box B above is checked.

If Box B is to be checked, holders are encouraged to consult with the Company in advance to determine that the legal opinion tendered in connection with exercise will be satisfactory in form and substance to the Company.

## **TRANSFER FORM**

**FOR VALUE RECEIVED**, the undersigned transferor hereby sells, assigns and transfers unto

\_\_\_\_\_  
(Transferee)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Social Insurance Number)

\_\_\_\_\_ of the Warrants registered in the name of the undersigned transferor represented by the attached Warrant Certificate.

**THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES** that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. Person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Registered Holder  
(Transferor)

\_\_\_\_\_  
Signature Guarantee

\_\_\_\_\_  
Print name of Registered Holder

\_\_\_\_\_  
Address

**NOTE:** The signature on this transfer form must correspond with the name as recorded on the face of the Warrant Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Warrant Certificate must be accompanied by evidence of authority to sign.

All endorsements or assignments of these Warrants must be signature guaranteed by a bank or trust company or by a member of a stock exchange in Canada.

**SCHEDULE "E"**  
**DPM WIRE TRANSFER INSTRUCTIONS**

**Bank of Beneficiary:** The Bank of Nova Scotia  
Main Branch, Scotia Plaza  
44 King Street West,  
Toronto, Ontario, M5H 1H1

**SWIFT:** NOSCCATTXXX

**Account #:** 47696-03834-14

**Beneficiary:** Dundee Precious Metals Inc  
200 Bay Street, Suite 3060  
Toronto, ON, M5J 2J1  
Canada

**SCHEDULE "F"**  
**FORM OF RELEASE AND QUIT CLAIM**

**QUIT CLAIM DEED**

**THIS QUIT CLAIM DEED** made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, **WITNESSETH** that for good and valuable consideration, the receipt of which is hereby acknowledged, Queensland Resources Ltd. and Dunav Holdings Cooperatief U.A. (together, "**Queensland**") do hereby remise, release and quit claim to and in favour of Dundee Precious Metals Inc. and Dundee Moly Company d.o.o. (together, "**DPM**") any right, title or interest which Queensland may have in and to the Assets, the Option, the Mineral Projects, the Mineral Licenses, the Properties or the Option Agreement (as such terms are hereinafter defined), and DPM hereby accepts and agrees to be bound by such remise, release and quit claim of such right, title or interest.

In this Quit Claim Deed the following terms have the following meanings:

**"Assets"** means all assets, properties and undertaking owned or leased by DPM or in which DPM has a right, title or interest that are used in connection with the Mineral Projects;

**"Mineral Projects"**, **"Mineral Licenses"**, **"Option"** and **"Properties"** have the meaning given to such terms in the Option Agreement; and

**"Option Agreement"** means the option agreement made between Queensland Resources Ltd., Dunav Holdings Cooperatief U.A., Dundee Precious Metals Inc. and Dundee Moly Company d.o.o. dated October 4, 2010.

This Quit Claim shall be governed by and construed in accordance with the laws of the Province of Ontario.

This Quit Claim shall enure to the benefit of and be binding on the successors and assigns of the parties hereto.

**IN WITNESS WHEREOF**, Queensland Resources Ltd., Dunav Holdings Cooperatief U.A., Dundee Precious Metals Inc. and Dundee Moly Company d.o.o. have executed this Quit Claim Deed as of the date first written above.

**QUEENSLAND RESOURCES LTD.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
I have authority to bind the Corporation

**DUNAV HOLDINGS COOPERATIEF U.A.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
I have authority to bind the Corporation

**DUNDEE PRECIOUS METALS INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
I have authority to bind the Corporation

**DUNDEE MOLY COMPANY d.o.o.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
I have authority to bind the Corporation

**SCHEDULE "G"**  
**REGULATORY APPROVALS**

**1. Regulatory Consents to be obtained by Queensland and the Purchaser**

Queensland shall obtain approval from TSXV for the transaction.

**SCHEDULE “H”  
QUEENSLAND SUBSIDIARIES**

Asmam Pty Ltd.

Queensland Minerals (Australia) Pty Ltd

Dunav Holdings Cooperatief U.A.

**SCHEDULE "I"**  
**TARGET ENTITIES SUBSIDIARIES**

BVI Co. is the sole holder of all of the shares in Ivanhoe Ventures Mining (in liquidation) d.o.o., a corporation incorporated under the laws of Serbia. Ivanhoe Ventures Mining (in liquidation) d.o.o. is in the process of being dissolved. Dissolution will be completed by the Program Completion Date.

## SCHEDULE "J" ACCESS RIGHTS

Surdulica Molybdenum project originated within today's Avala Resources d.o.o. (former Dundee Plemeniti Metali d.o.o.) ("Avala") and in 2008 was transferred to DPM Subco, which now holds the exploration license related to this project.

After the project was transferred to DPM Subco, Avala continued to provide management and geological exploration services to DPM Subco in connection with such project. In this regard, Avala continued to obtain surface rights needed for the project and to compensate landowners, which costs were then invoiced to DPM Subco.

In December 2009, Avala obtained in its name one-year surface rights from the majority of co-owners of land lot known as Lot 5831 KO Mackatica or "Borovik Lot". These surface rights relate solely to Surdulica Molybdenum project. List of such co-owners is provided in table below:

| No. | Co-owner's name                                     | Number of parts | Total number of parts | Co-ownership fraction (%) |
|-----|-----------------------------------------------------|-----------------|-----------------------|---------------------------|
| 1   | Tončić Milovan (Gradimir)                           | 30              | 4230                  | 0,71                      |
| 3   | Stojković Goran (Vlada)                             | 8               | 4230                  | 0,19                      |
| 4   | Stojković Slaviša (Mile)                            | 8               | 4230                  | 0,19                      |
| 5   | Stojković Zoran (Mile)                              | 8               | 4230                  | 0,19                      |
| 7   | Cvetković Divna Miletija                            | 10              | 4230                  | 0,24                      |
| 8   | Dimitrijević Stanojlo, nas.Dimitrijević Anka        | 180             | 4230                  | 4,26                      |
| 9   | Dimitrijević Čedomir, nas.Dimitrijević Dejan        | 135             | 4230                  | 3,19                      |
| 10  | Dimitrijević Staniša (Vlajko)                       | 180             | 4230                  | 4,26                      |
| 11  | Dimitrijević Dobrosav, nas.Dimitrijević Časlav-cd01 | 135             | 4230                  | 3,19                      |
| 12  | Dimitrijević Radomir, nas.Dimitrijević Predrag-pd01 | 135             | 4230                  | 3,19                      |
| 14  | Dimitrijević Radomir (Ljubomir)                     | 180             | 4230                  | 4,26                      |
| 15  | Dimitrijević Dobrinka (Čedomir)                     | 60              | 4230                  | 1,42                      |
| 16  | Dimitrijević Josif (Čedomir)                        | 36              | 4230                  | 0,85                      |
| 17  | Dimitrijević Vidoje (Čedomir)                       | 36              | 4230                  | 0,85                      |
| 18  | Dimitrijević Ratomir (Čedomir)                      | 72              | 4230                  | 1,70                      |
| 19  | Dimitrijević Ivan (Čedomir)                         | 36              | 4230                  | 0,85                      |
| 20  | Dimitrijević Jovica (Sreten)                        | 72              | 4230                  | 1,70                      |
| 21  | Dimitrijević Petar, nas.Lazić Valentina (Petar)     | 72              | 4230                  | 1,70                      |
| 22  | Dimitrijević Vujica (Sreten)                        | 72              | 4230                  | 1,70                      |
| 23  | Dimitrijević Branko (Sreten)                        | 72              | 4230                  | 1,70                      |
| 24  | Dimitrijević Stratija, nas.Dimitrijević Slobodan    | 135             | 4230                  | 3,19                      |
| 25  | Dojčinović Vidosava (Čedomir)                       | 60              | 4230                  | 1,42                      |
| 26  | Dimitrijević Julka (Sreten)                         | 72              | 4230                  | 1,70                      |

|      |                                                  |             |             |              |
|------|--------------------------------------------------|-------------|-------------|--------------|
| 27   | Stamenković Milka (Milorad)                      | 270         | 4230        | 6,38         |
| 28   | Stanković Dragić (Milutin)                       | 270         | 4230        | 6,38         |
| 30   | Stojković Janićije, nas. Stojković Slavica       | 30          | 4230        | 0,71         |
| 31   | Stojković Dragoljub, nas. Stojković Mile         | 15          | 4230        | 0,35         |
| 32   | Stojković Vlada, nas. Stojković Javorka          | 15          | 4230        | 0,35         |
| 33   | Stojković Dobrosav (Stojan)                      | 15          | 4230        | 0,35         |
| 34   | Stojković Vesna (Stojan)                         | 15          | 4230        | 0,35         |
| 41   | Tončić Stoimen, nas. Tončić Jovica               | 270         | 4230        | 6,38         |
| 42   | Tončić Vladimir, nas. Tončić Mirjana             | 90          | 4230        | 2,13         |
| 45   | Vasiljković Gradimir, nas. Milenković Dunavka    | 240         | 4230        | 5,67         |
| 46   | Zlatković Stojan, nas. Veljković Sladjana        | 240         | 4230        | 5,67         |
| 50   | Dimitrijević Bora (Aleksa)                       | 135         | 4230        | 3,19         |
| 52   | Dimitrijević Dragoljub Milorad                   | 15          | 4230        | 0,35         |
| 53   | Dimitrijević Slavoljub Milorad                   | 15          | 4230        | 0,35         |
| 13 B | Dimitrijević verica, nas. Dimitrijević Dragoljub | 80          | 4230        | 1,89         |
| 13 C | Dimitrijević Verica, nas. Dimitrijević Slavoljub | 80          | 4230        | 1,89         |
| 44 A | Tončić Marica, nas. Tončić Milovan               | 15          | 4230        | 0,35         |
| 44 B | Tončić Marica, nas. Tončić Milan                 | 15          | 4230        | 0,35         |
|      | <b>TOTAL:</b>                                    | <b>3629</b> | <b>4230</b> | <b>85,79</b> |