

JOINT VENTURE AGREEMENT

THIS JOINT VENTURE AGREEMENT (this “**Agreement**”) is made as of the 21st day of September, 2016 (the “**Effective Date**”) between **INTOR RESOURCES CORP.** (“**Intor**”), a Nevada corporation, and **EUREKA MINERALS (USA) INC.** (“**Eureka**”), a Nevada corporation.

WHEREAS:

A. Intor is the registered owner of 247 unpatented placer mining claims, covering approximately 4,940 acres, located in Esmeralda County, Nevada, as more particularly described in Schedule A attached hereto (collectively, the “**Properties**”);

B. Intor is a wholly-owned subsidiary of Nevada Sunrise Gold Corporation (“**NEV**”) and Eureka is a wholly-owned subsidiary of Eureka Resources Inc. (“**EUK**”);

C. Pursuant to a binding letter agreement between NEV and EUK dated January 20, 2016, and an addendum thereto dated May 4, 2016, EUK, on behalf of Eureka, earned an undivided 50% beneficial interest in the Properties in consideration of: (i) payment of CAD\$96,794 by EUK to NEV, representing 50% of the costs incurred by NEV and Intor in connection with Intor’s acquisition of the Properties; and (ii) the issuance of 300,000 EUK Shares (as defined herein) by EUK to NEV; and

D. Intor and Eureka wish to jointly explore, evaluate, develop and mine the Properties, and any other properties acquired pursuant to this Agreement, in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the covenants and agreements contained herein, and other consideration the receipt and sufficiency of which is hereby acknowledged, Intor and Eureka agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions. As used in this Agreement, the following capitalized terms have the following meanings, unless the context indicates otherwise:

“**Accounting Procedure**” means the procedures set forth in Schedule B attached hereto;

“**Affiliate**” has the meaning ascribed thereto in the *Securities Act* (British Columbia);

“**Agreement**” means this Agreement, including all schedules, amendments and modifications hereto, all of which are incorporated herein by reference;

“**Approved Alternative**” means a Development and Mining alternative selected by the Management Committee from various Development and Mining alternatives analyzed in the Pre-Feasibility Studies;

“Area of Interest” means all lands within a 2 mile radius from the outside boundaries of the Property as they exist as of the Closing Date. The Area of Interest will be expanded to apply to all lands within a 2 mile radius of the new boundaries of the Property upon the acquisition of any new ground;

“Assets” means the Properties, Products, Business Information and all other real and personal property, tangible and intangible, including existing or after-acquired property, and all contract rights, held for the benefit of the Participants hereunder;

“Budget” means a detailed estimate of all costs to be incurred by the Participants with respect to a Program and a schedule of cash advances to be made by the Participants with respect to a Program;

“Business” means the contractual relationship of the Participants under this Agreement;

“Business Account” means the account maintained by the Manager for the Business in accordance with Schedule B attached hereto;

“Business Day” means any day except Saturday, Sunday and any day on which banking institutions in the Province of British Columbia or the State of Nevada are authorized or required by law or other government action to close;

“Business Information” means the terms of this Agreement, and any other agreement relating to the Business, all maps, electromagnetic surveys, drill logs and other drilling data, core tests, pulps, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records, and other material information developed in operations on the Properties, and all information, data, knowledge and know-how, in whatever form and however communicated (including, without limitation, Confidential Information), developed, conceived, originated or obtained by either Participant in performing its obligations under this Agreement;

“Capital Account” means the account maintained for each Participant in accordance with Schedule C attached hereto;

“Confidential Information” means all information, data, knowledge and know-how (including formulas, patterns, compilations, programs, devices, methods, techniques and processes) provided by a Participant or the Manager, any of their respective Affiliates, or any of their respective employees or agents, to any of the foregoing that either: (a) derive independent economic value, actual or potential, as a result of not being generally known to, or readily ascertainable by, third parties and that are the subject of efforts that are reasonable under the circumstances to maintain their secrecy, or (b) that are designated by the providing Person as confidential, in each case including all analyses, interpretations, compilations, studies and evaluations based on the information, data, knowledge and know-how that are generated or prepared by or on behalf of the recipient of the information, data, knowledge or know-how;

“Continuing Obligations” means obligations or responsibilities that are reasonably expected to or actually continue or arise after Operations on a particular area of the Properties have ceased or are suspended, such as future monitoring, stabilization or Environmental Compliance;

“Cover Payment” has the meaning set forth in Section 10.4;

“Development” means all preparation (other than Exploration) for the removal and recovery of Products, including the construction and/or installation of plants, pumping wells or any other improvements to be used for the mining, handling, processing or other beneficiation of Products, and all related Environmental Compliance;

“Encumbrance” means any mortgage, deed of trust, security interest, pledge, lien, net profit interest, royalty or overriding royalty interest, other payment out of production or other burdens of any nature;

“Environmental Compliance” means actions performed during or after Operations to comply with the requirements of all Environmental Laws or contractual commitments related to reclamation of the Properties or other compliance with Environmental Laws;

“Environmental Laws” means Laws aimed at reclamation or restoration of the Properties; abatement of pollution; protection of the environment; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; employee health and safety; protection of cultural or 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 or wastes into the environment, including ambient air, surface water and groundwater; and all other Laws relating to the existence, manufacture, processing, distribution, use, treatment, storage, disposal, recycling, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes;

“Environmental Liabilities” means any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursements or expenses (including attorneys’ and experts’ fees and costs) of any kind asserted against either Participant by any Person other than the other Participant, arising out of, based on or resulting from (a) the presence, release, threatened release, discharge or emission into the environment of any hazardous materials or substances existing or arising on, beneath or above the Properties or emanating, migrating or threatening to emanate or migrate from the Properties to off-site properties, (b) physical disturbance of the environment, or (c) the violation or alleged violation of any Environmental Laws;

“Equity Account” means the account maintained for each Participant by the Manager in accordance with Section 8.3(n);

“EUK Shares” means common shares in the capital of EUK;

“Exploration” means all activities directed toward ascertaining the existence, location, quantity, quality or commercial value of deposits of Products, including related Environmental Compliance;

“Feasibility Study” means a report to be prepared in accordance with NI 43-101 following selection by the Management Committee of one or more Approved Alternatives, which report shall include a review of information presented in any Pre-Feasibility Studies concerning the

Approved Alternative(s), and shall be in form and of a scope generally acceptable to reputable financial institutions that provide financing to the mining industry;

“Governmental Authority” means any domestic or foreign national, regional, state, tribal, or local court, governmental department, commission, authority, central bank, board, bureau, agency, official, or other instrumentality exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of or pertaining to government;

“Governmental Fees” means all location fees, mining claim rental fees, mining claim maintenance payments, recording or filing fees and other payments required by applicable Laws to be paid to any Governmental Authority to locate or maintain any licenses, permits, unpatented mining claims, concessions, fee lands, mining leases, surface leases or other tenures included in the Properties;

“Initial Contribution” means that contribution each Participant has made or agrees to make pursuant to Section 5.1;

“Letter Agreement” means the letter agreement dated January 20, 2016 between NEV and EUK;

“Laws” means all applicable federal, state, provincial and local laws (statutory or common), rules, ordinances, regulations, grants, concessions, franchises, licenses, orders, directives, judgments, decrees and other governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature;

“Management Committee” means the committee established under Article 7;

“Manager” means the Participant appointed under Article 8 to manage Operations, or any successor Manager;

“Mining” means the mining, extracting, producing, beneficiating, handling, milling or other processing of Products;

“Net Proceeds” means certain amounts calculated as provided in Exhibit D, which may be payable to a Participant under Section 6.3(a);

“NI 43-101” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, as adopted by the Canadian Securities Administrators;

“Operations” means the activities carried out under this Agreement;

“Participant” means Intor or Eureka, or any permitted successor or assign thereof under this Agreement;

“Participating Interest” means the percentage interest representing the operating ownership interest of a Participant in the Assets, and all other rights and obligations arising under this Agreement, as such interest may from time to time be adjusted hereunder. Participating Interests shall be calculated to three decimal places and rounded to two decimal places as follows: decimals of .005 or more shall be rounded up to .01 (e.g. 1.519% rounded to 1.52%), and

decimals of less than .005 shall be rounded down (e.g. 1.514% rounded down to 1.51%). The initial Participating Interests of the Participants are set forth in Section 6.1;

“Payout” means the date on which the Equity Account balance of each of the Participants has become zero or a negative number, regardless of whether the Equity Account balance of either or both Participants subsequently becomes a positive number. If one Participant’s Equity Account balance becomes zero or a negative number before the other Participant’s, “Payout” shall not occur until the date that the other Participant’s Equity Account balance first becomes zero or a negative number;

“Person” is to be construed broadly and includes any natural person, corporation, joint venture, partnership, limited liability partnership, limited partnership, limited liability limited partnership, limited liability company, trust, estate, business trust, association, Governmental Authority or other entity;

“Pre-Feasibility Studies” means one or more studies prepared in accordance with NI 43-101 to analyze whether economically viable Mining Operations may be possible on the Properties, as described in Section 9.7;

“Prime Rate” means the interest rate quoted and published as “Prime” by the Bank of Montreal, as said rate may change from day to day;

“Products” means all lithium carbonate, lithium hydroxide and any other concentrates, ores, minerals, materials or other commodities of every kind and character having commercial value that are produced or extracted from the Properties;

“Program” means a description in reasonable detail of the Operations to be conducted and objectives to be accomplished by the Manager for a period determined by the Management Committee;

“Program Period” means the time period covered by an adopted Program and Budget;

“Project Financing” means any financing approved by the Management Committee and obtained by the Participants for the purpose of placing a mineral deposit situated on the Properties, or any subsequently acquired properties, into commercial production, but shall not include any such financing obtained individually by either Participant to finance payment or performance of its obligations under this Agreement;

“Properties” means those interests in real property described in Part 1 of Schedule A attached hereto, and all other interests in or related to real property within the Area of Interest which are acquired and held subject to this Agreement;

“Recalculated Participating Interest” means the reduced Participating Interest of a Participant as recalculated under Sections 9.5, 9.6 or 10.5;

“Reduced Participant” means a Participant whose Participating Interest is reduced under Sections 9.5 or 10.5;

“Transfer” means, when used as a verb, to sell, grant, assign, create an Encumbrance, pledge or otherwise convey, or dispose of or commit to do any of the foregoing, or to arrange for substitute performance by an Affiliate or other Person (except as permitted under Sections 8.3(j) and 8.7), either directly or indirectly, and, when used as a noun, means such a sale, grant, assignment, Encumbrance, pledge or other conveyance or disposition, or such an arrangement; and

“Venture” means the joint venture business arrangement of the Participants created under this Agreement, known as the “Gemini Joint Venture”.

1.2 Interpretation. In interpreting this Agreement, except as otherwise indicated in this Agreement or as the context may otherwise require: (a) the words “include”, “includes” and “including” are deemed to be followed by “without limitation” whether or not they are in fact followed by those words or words of similar import; (b) the words “hereof”, “herein”, “hereunder” and comparable terms refer to the entirety of this Agreement, including the Schedules, and not to any particular Article, Section, or other subdivision of this Agreement or Schedule to this Agreement; (c) any pronoun shall include the corresponding masculine, feminine, and neuter forms; (d) the singular includes the plural and vice versa; (e) references to any agreement (including this Agreement) or other document are to the agreement or document as amended, modified, supplemented, and restated now or from time to time in the future; (f) references to any Law are to it as amended, modified, supplemented, and restated now or from time to time in the future, and to any corresponding provisions of successor Laws; (g) references to any Person include the Person’s respective successors and permitted assigns; (h) references to “dollars” or “\$” shall mean the lawful currency of the United States of America, unless otherwise indicated; (i) references to a “day” or number of “days” refer to a calendar day or number of calendar days; (j) if interest is to be computed under this Agreement, it shall be computed on the basis of a 360-day year of twelve 30-day months; (k) if any action or notice is to be taken or given on or by a particular calendar day, and the calendar day is not a Business Day, then the action or notice may be taken or given on the next succeeding Business Day; and (l) any financial or accounting terms that are not otherwise defined herein shall have the meanings given under International Financial Reporting Standards.

ARTICLE 2

NAME, PURPOSES AND TERM

2.1 General. Intor and Eureka hereby enter into this Agreement for the purposes hereinafter stated. All of the rights and obligations of the Participants in connection with the Assets or the Area of Interest and all of the Operations shall be subject to and governed by this Agreement.

2.2 Name. The Assets shall be managed and operated under the name of the “Gemini Joint Venture”. The Manager shall accomplish any registration required by applicable assumed or fictitious name statutes and similar statutes.

2.3 Purposes. This Agreement is entered into for the following purposes and for no others, and shall serve as the exclusive means by which each of the Participants accomplishes such purposes:

- (a) to conduct Exploration within the Properties and the Area of Interest;
- (b) to acquire additional real property and other interests within the Area of Interest;
- (c) to evaluate the possible Development and Mining of the Properties, and, if justified, to engage in Development and Mining of the Properties;
- (d) to engage in Operations on the Properties;
- (e) to engage in marketing Products, to the extent permitted by Article 11;
- (f) to complete and satisfy all Environmental Compliance obligations and Continuing Obligations affecting the Properties; and
- (g) to perform any other activity necessary, appropriate, or incidental to any of the foregoing.

2.4 Limitation. Unless the Participants otherwise agree in writing, the Operations shall be limited to the purposes described in Section 2.3, and nothing in this Agreement shall be construed to enlarge such purposes or to change the relationships of the Participants as set forth in Article 4.

2.5 Term. The term of this Agreement shall be for 20 years from the Effective Date and for so long thereafter as Products are produced from the Properties on a continuous basis, and thereafter until all materials, supplies, equipment and infrastructure have been salvaged and disposed of, any required Environmental Compliance is completed and accepted, and the Participants have agreed to a final accounting, unless the Business is earlier terminated as provided in this Agreement. For purposes hereof, Products shall be deemed to be produced from the Properties on a “continuous basis” so long as production in commercial quantities is not halted for more than 365 consecutive days.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES; TITLE TO ASSETS; INDEMNITIES

3.1 Representations and Warranties of Both Participants. As of the Effective Date, each Participant represents and warrants to the other that:

- (a) it is a corporation duly incorporated and in good standing in its state of incorporation and is qualified to do business and is in good standing in those states where necessary in order to carry out the purposes of this Agreement;
- (b) it has the capacity to enter into and perform this Agreement and all transactions contemplated herein and that all corporate, board of directors, shareholder, surface and mineral rights owner, lessor, lessee, regulatory and other approvals and actions required to authorize it to enter into and perform this Agreement have been properly taken or obtained;

- (c) it will not breach any other agreement or arrangement by entering into or performing this Agreement;
- (d) it is not subject to any governmental order, judgment, decree, debarment, sanction or Laws that would preclude the permitting or implementation of the Operations under this Agreement;
- (e) this Agreement has been duly executed and delivered by it and is valid and binding upon it in accordance with its terms; and
- (f) it has no knowledge of any pending or threatened actions, suits, claims or other proceedings affecting the Assets.

3.2 Representations and Warranties of Intor. Intor represents and warrants to Eureka that, to the best of its knowledge:

- (a) with respect to the unpatented mining claims that are included within the Properties, subject to the paramount title of the United States: (i) the claims were properly laid out and monumented; (ii) all required location and validation work was properly performed; (iii) location notices and certificates were properly recorded and filed with appropriate governmental agencies; (iv) all maintenance fees and any filings required have been properly and timely recorded or filed with the Bureau of Land Management and any other appropriate governmental agencies in order to maintain the claims in good standing through the assessment year ending September 1, 2017; (v) the claims are free and clear of defects and Encumbrances; and (vi) Intor has no knowledge of conflicting claims. Nothing in this Section 3.2(a) however shall be deemed to be a representation or a warranty that any of the unpatented mining claims contains a discovery of minerals; and
- (b) there are no pending or threatened actions, suits, claims or proceedings with respect to the Properties.

The representations and warranties set forth above shall survive the execution and delivery of any documents of Transfer provided under this Agreement.

3.3 Disclosures. Each of the Participants represents and warrants that it is unaware of any material facts or circumstances that have not been disclosed in this Agreement, which should be disclosed to the other Participant in order to prevent the representations in this Article 3 from being materially misleading.

3.4 Record Title. Title to the Assets shall be held by the Venture. Notwithstanding the foregoing, the registered title to the unpatented mining claims included in the Properties shall be registered in the name of Intor, which will hold a 50% beneficial interest therein in trust for Eureka.

3.5 Loss of Title. Any failure or loss of title to the Assets, and all costs of defending title, shall be charged to the Business Account, except that all costs and losses arising out of or resulting from breach of the representations and warranties of a Participant shall be charged to such Participant, as the case may be.

3.6 Royalties, Production Taxes and Other Payments Based on Production. All required payments of production royalties, taxes based on production of Products, and other payments out of production to private parties and Governmental Authorities shall be determined and made by each Participant in proportion to its Participating Interest, and each Participant undertakes to make such payments timely and otherwise in accordance with applicable Laws and agreements, and to notify the other Participant of the terms of such payment. If separate payment is not permitted, each Participant shall determine and pay its proportionate share in advance to the Participant obligated to make such payment, and such Participant shall timely make such payment. Each Participant shall furnish to the other Participant evidence of timely payment of all required payments. In the event that either Participant fails to make any such required payment, the other Participant shall have the right to make such payment and shall thereby become subrogated to the rights of such Person; provided, however, that the making of any such payment on behalf of the other Participant shall not constitute acceptance by the paying Participant of any liability to such Person for the underlying obligation.

3.7 Indemnities and Limitation of Liability.

- (a) Each Participant shall indemnify the other Participant, its Affiliates, its directors, officers, employees, agents and attorneys, and those of its Affiliates (each, an “**Indemnified Party**”) from and against the entire amount of all costs, expenses, damages and liabilities (including attorneys’ fees and other costs of litigation, either threatened or pending), arising out of or based on a breach by a Participant (each, an “**Indemnifying Party**”) of any representation, warranty or covenant contained in this Agreement, including, without limitation:
 - (i) any failure by a Participant to determine accurately and make timely payment of its proportionate share of required royalties, production taxes and other payments out of production to third parties as required by Section 3.6;
 - (ii) any action taken for or obligation or responsibility assumed on behalf of any Indemnified Party in violation of Section 4.1;
 - (iii) failure of an Indemnifying Party to comply with the non-compete or Area of Interest provisions of Section 12.6 or Article 13;
 - (iv) any Transfer that causes termination of the tax partnership established by Section 4.2 against which the transferring Participant shall indemnify the transferring Participant as provided in Article 5 of Schedule C; and
 - (v) failure of an Indemnifying Party to comply with the pre-emptive right under Section 15.3.

- (b) If any claim or demand is asserted against an Indemnified Party in respect of which such Indemnified Party may be entitled to indemnification under this Agreement, written notice of such claim or demand shall promptly be given to the Indemnifying Party. The Indemnifying Party shall have the right, but not the obligation, by notifying the Indemnified Party within 30 days after its receipt of the notice of the claim or demand, to assume the entire control of (subject to the right of the Indemnified Party to participate, at the Indemnified Party's expense and with counsel of the Indemnified Party's choice), the defenses, compromise or settlement of the matter, including, at the Indemnifying Party's expense, employment of counsel of the Indemnifying Party's choice. Any damages to the assets or business of the Indemnified Party caused by a failure of the Indemnifying Party to defend, compromise or settle a claim or demand in a reasonable and expeditious manner requested by the Indemnified Party, after the Indemnifying Party has given notice that it will assume control of the defense, compromise or settlement of the matter, shall be included in the damages for which the Indemnifying Party shall be obligated to indemnify the Indemnified Party. Any settlement or compromise of a matter by the Indemnifying Party shall include a release of claims against the Indemnified Party, which has arisen out of the indemnified claim or demand.

ARTICLE 4

RELATIONSHIP OF THE PARTICIPANTS

4.1 No Partnership. Nothing contained in this Agreement shall be deemed to constitute either Participant as the partner of the other, nor, except as otherwise herein expressly provided, to constitute either Participant as the agent or legal representative of the other, nor to create any fiduciary relationship between them. The Participants do not intend to create, nor shall this Agreement be construed to create, any mining, commercial or other partnership or joint venture. Neither Participant, nor any of its directors, officers, employees, agents, attorneys or Affiliates, shall act for, have any authority to act for, or assume, any obligation or responsibility on behalf of the other Participant, except as otherwise expressly provided herein, and any such action or assumption by a Participant or its directors, officers, employees, agents, attorneys or Affiliates shall be a breach by such Participant of this Agreement. The rights, duties, obligations and liabilities of the Participants shall be several and not joint or collective. Each Participant shall be responsible only for its obligations as herein set out and shall be liable only for its share of the costs and expenses as provided herein, and it is the express purpose and intention of the Participants that their ownership of the Assets and the rights acquired hereunder shall be as tenants in common.

4.2 Federal Tax Elections and Allocations. Without changing the effect of Section 4.1, the Participants agree that their relationship shall constitute a tax partnership within the meaning of Section 761(a) of the United States *Internal Revenue Code*. Tax elections and allocations shall be made as set forth in Schedule C.

4.3 State Income Tax. The Participants agree that, to the extent permissible under applicable Laws, their relationship shall be treated for state income tax purposes in the same manner as it is for federal income tax purposes.

4.4 Tax Returns. After approval of the Management Committee, tax returns or other tax forms required shall be filed in accordance with Schedule C.

4.5 Other Business Opportunities. Except as expressly provided in this Agreement, each Participant shall have the right to engage in, and receive full benefits from, any independent business activities or operations, whether or not competitive with the Business, without consulting with, or obligation to, the other Participant. The doctrines of “corporate opportunity” or “business opportunity” shall not be applied to the Business nor to any other activity, venture or operation of either Participant. Neither Participant shall have any obligation to the other with respect to any opportunity to acquire any property outside the Area of Interest at any time, or, except as otherwise provided in Section 12.6, within the Area of Interest after the termination of the Business, or, unless otherwise agreed in writing, in any facility owned or controlled by such Participant.

4.6 Waiver of Right to Partition or Other Division of Assets. The Participants hereby waive and release all rights of partition, or of sale in lieu thereof, or other division of Assets, including any such rights provided by applicable Laws.

4.7 Transfer or Termination of Rights to Properties. Except as otherwise provided in this Agreement, neither Participant shall Transfer all or any part of its interest in the Assets or this Agreement or otherwise permit or cause such interests to terminate.

4.8 Implied Covenants. There are no implied covenants contained in this Agreement other than those of good faith and fair dealing.

4.9 No Third Party Beneficiary Rights. This Agreement shall be construed to benefit the Participants and their respective successors and permitted assigns only, and shall not be construed to create third party beneficiary rights in any other Person, except to the extent required by Project Financing and as provided in Section 3.7.

ARTICLE 5 CONTRIBUTIONS BY PARTICIPANTS

5.1 Participants’ Initial Contributions.

- (a) Intor, as its Initial Contribution, hereby contributes the Properties. The deemed value of Intor’s Initial Contribution is CAD\$96,794, which shall be credited to Intor’s Equity Account as of the Effective Date.
- (b) Eureka, as its Initial Contribution, hereby contributes the payment of CAD\$96,794, being half of the costs incurred in connection with Intor’s acquisition of the Properties. The deemed value of Eureka’s Initial Contribution is CAD\$96,794, which shall be credited to Eureka’s Equity Account as of the Effective Date.

5.2 Additional Contribution.

- (a) The Participants, subject to any election permitted by Section 9.5(a), shall be obligated to contribute funds to adopted Programs and Budgets in proportion to their respective Participating Interests.
- (b) The Participants acknowledge and agree that: (a) EUK has issued 300,000 EUK Shares to NEV pursuant to the terms of the Letter Agreement, and (b) Eureka shall cause EUK to issue an additional 200,000 EUK Shares to NEV on or prior to June 7, 2017. Eureka acknowledges that the issuance of the EUK Shares to NEV does not and will not increase Eureka's Participating Interest, nor will it result in a credit to Eureka's Equity Account.

ARTICLE 6 INTERESTS OF PARTICIPANTS

6.1 Initial Participating Interests. The Participants shall have the following initial Participating Interests:

Intor - 50%
Eureka - 50%

6.2 Changes in Participating Interests. A Participant's Participating Interest shall be eliminated or changed as follows:

- (a) upon either Participant's withdrawal or deemed withdrawal as provided in Section 6.3 or Article 12;
- (b) upon an election by either Participant pursuant to Section 9.5 to contribute less to an adopted Program and Budget than the percentage equal to its Participating Interest, or to contribute nothing to an adopted Program and Budget;
- (c) in the event of default by either Participant in making its agreed-upon contribution to an adopted Program and Budget, followed by an election by the other Participant to invoke any of the remedies in Section 10.5;
- (d) upon Transfer by either Participant of part or all of its Participating Interest in accordance with Article 15; or
- (e) upon acquisition by either Participant of part or all of the Participating Interest of the other Participant, however arising.

6.3 Elimination of Minority Interest.

- (a) A Reduced Participant whose Recalculated Participating Interest becomes less than 10% shall be deemed to have withdrawn from the Business and shall relinquish its entire Participating Interest, free and clear of any Encumbrances arising by, through or under the Reduced Participant, except any such

Encumbrances to which both Participants have agreed. Such relinquished Participating Interest shall be deemed to have accrued automatically to the other Participant. The Reduced Participant's Capital Account shall be transferred to the remaining Participant. The Reduced Participant shall have the right to receive 5.0% of Net Proceeds, if any, without limitation. The Reduced Participant shall execute and deliver an appropriate conveyance of all of its right, title and interest in the Assets to the remaining Participant. The relinquishment, withdrawal and entitlements for which this Section 6.3 provides shall be effective as of the effective date of the recalculation under Sections 9.5 or 10.5. However, if the final adjustment provided under Section 9.6 for any recalculation under Section 9.5 results in a Recalculated Participating Interest of 10% or more: (i) the Recalculated Participating Interest shall be deemed, effective retroactively as of the first day of the Program Period, to have automatically reverted; (ii) the Reduced Participant shall be reinstated as a Participant, with all of the rights and obligations pertaining thereto; (iii) the right to Net Proceeds under this Section 6.3(a) shall terminate; and (iv) the Manager, on behalf of the Participants, shall make any necessary reimbursements, reallocations of Products, contributions and other adjustments as provided in Section 9.6(d). Similarly, if such final adjustment as provided under Section 9.6 results in a Recalculated Participating Interest for either Participant of less than 10% for a Program Period as to which the provisional calculation under Section 9.5 had not resulted in a Participating Interest of less than 10%, then such Participant, at its election within 30 days after notice of the final adjustment, may contribute an amount resulting in a revised final adjustment and resultant Recalculated Participating Interest of 10%. If no such election is made, such Participant shall be deemed to have withdrawn under the terms of Section 6.3(a) as of the beginning of such Program Period, and the Manager, on behalf of the Participants, shall make any necessary reimbursements, reallocations of Products, contributions and other adjustments as provided in Section 9.6(d), including of any Net Proceeds to which such Participant may be entitled for such Program Period.

6.4 Continuing Liabilities Upon Adjustments of Participating Interests. Any reduction or elimination of either Participant's Participating Interest under Section 6.2 shall not relieve such Participant of its share of any liability, including Continuing Obligations, Environmental Liabilities and Environmental Compliance, whether arising before or after such reduction or elimination, out of acts or omissions occurring or conditions existing prior to the Effective Date, or out of Operations conducted during the term of this Agreement but prior to such reduction or elimination, regardless of when any funds may be expended to satisfy such liability. For the purposes of this Section 6.4, such Participant's share of such liability shall be equal to its Participating Interest at the time the act or omission giving rise to such liability occurred, after first taking into account any reduction, readjustment or restoration of Participating Interests under Sections 6.3, 9.5, 9.6 or 10.5 (or, as to such liability arising out of acts or omissions occurring or conditions existing prior to the Effective Date, equal to such Participant's Initial Participating Interest). Should the cumulative cost of satisfying Continuing Obligations be in excess of cumulative amounts accrued or otherwise charged to the Environmental Compliance Fund as described in Schedule B, each of the Participants shall be liable for its proportionate

share (i.e. Participating Interest at the time the act or omission giving rise to such liability occurred), after first taking into account any reduction, readjustment or restoration of Participating Interests under Sections 6.3, 9.5, 9.6 or 10.5 of the cost of satisfying such Continuing Obligations, notwithstanding that either Participant has previously withdrawn from the Business or that its Participating Interest has been reduced or converted to an interest in Net Proceeds pursuant to Section 6.3(a).

6.5 Documentation of Adjustments to Participating Interests. Adjustments to the Participating Interests need not be evidenced during the term of this Agreement by the execution and recording of appropriate instruments, but each Participant's Participating Interest and related Equity Account balance shall be shown in the accounting records of the Manager, and any adjustments thereto, including any reduction, readjustment or restoration of Participating Interests under Sections 6.3, 9.5, 9.6 or 10.5, shall be made monthly. However, each Participant shall, at any time upon the request of the other Participant, execute and acknowledge instruments necessary to evidence such adjustments in form sufficient for filing and recording the jurisdiction where the Properties are located.

6.6 Grant of Lien and Security Interest.

- (a) Subject to Section 6.7, each Participant grants to the other Participant a lien upon and a security interest in its Participating Interest, including all of its right, title and interest in the Assets, whenever acquired or arising, and the proceeds from and accessions to the foregoing.
- (b) The liens and security interests granted by Section 6.6(a) shall secure every obligation or liability of the Participant granting such lien or security interest created under this Agreement, including the obligation to repay a Cover Payment in accordance with Section 10.4. Each Participant hereby agrees to take all action necessary to perfect such lien and security interest, and hereby appoints the other Participant its attorney-in-fact to execute, file and record all financing statements and other documents necessary to perfect or maintain such lien and security interest.

6.7 Subordination of Interests. Each Participant shall, from time to time, take all necessary actions, including execution of appropriate agreements, to pledge and subordinate its Participating Interest, any liens it may hold which are created under this Agreement other than those created pursuant to Section 6.6, and any other right or interest it holds with respect to the Assets (other than the statutory lien of the Manager), to any secured borrowings for Operations approved by the Management Committee, including any secured borrowings related to Project Financing, and any modifications or renewals thereof.

ARTICLE 7 MANAGEMENT COMMITTEE

7.1 Organization and Composition. The Participants hereby establish a Management Committee to determine overall policies, objectives, procedures, methods and actions under this Agreement. The Management Committee shall consist of 1 member appointed by Intor and 1

member appointed by Eureka. Each Participant may appoint one or more alternates to act in the absence of a regular member. Any alternate so acting shall be deemed a member. Appointments by a Participant shall be made or changed by notice to the other Participant.

7.2 Decisions. Each Participant, acting through its appointed member in attendance at a meeting, shall have the votes on the Management Committee in proportion to its Participating Interest. Unless otherwise provided in this Agreement, the vote of the Participant with a Participating Interest over 50% shall determine the decisions of the Management Committee. In the event that both Participants hold a 50% Participating Interest, then that Participant that is the Manager shall have a casting vote.

7.3 Meetings.

- (a) The Management Committee shall hold regular meetings at least quarterly in Vancouver, British Columbia, or such other place as is mutually agreed by the Participants. The Manager shall give 10 days' notice to the Other Participant of such regular meetings. Additionally, either Participant may call a special meeting upon 3 days' notice to the other Participant. In case of emergency, reasonable notice of a special meeting shall suffice. There shall be a quorum if at least one member representing each Participant is present, provided however, that, if no member representing a Participant attends two consecutive properly called meetings, then a quorum shall exist at the second meeting if the other Participant is represented by at least one member, and a vote of such Participant shall be considered the vote required for the purposes of the conduct of all business for which notice has been properly provided, even if such vote would otherwise require unanimity.
- (b) If business cannot be conducted at a regular or special meeting of the Management Committee due to a lack of quorum, either Participant may call the next meeting upon 5 days' notice to the other Participant.
- (c) Each notice of a meeting shall include an itemized agenda prepared by the Manager in the case of a regular meeting, or by the Participant calling the meeting in the case of a special meeting, but any matters may be considered with the consent of both Participants. The Manager shall prepare minutes of all meetings and shall distribute copies of such minutes to the Participants within 15 days after the meeting. Either Participant may electronically record the proceedings of a meeting with the consent of the other Participant. The minutes, when signed by both Participants, shall be the official record of the decisions made by the Management Committee and shall be binding on the Manager and the Participants. Decisions made by the Management Committee shall be implemented in accordance with adopted Programs and Budgets. If a Participant timely objects to minutes proposed by the Manager, the members of the Management Committee shall seek, for a period not to exceed 15 days from receipt by the Manager of notice of the objections, to agree upon minutes acceptable to both Participants. If the Management Committee does not reach agreement on the minutes of a meeting within such 15 day period, the minutes of

the meeting as prepared by the Manager, together with the other Participant's proposed changes, shall collectively constitute the record of the applicable meeting. If personnel employed in Operations are required to attend a Management Committee meeting, reasonable costs incurred in connection with such attendance shall be charged to the Business Account. All other costs shall be paid by the Participants individually.

7.4 Action Without Meeting in Person. In lieu of meetings in person, the Management Committee may conduct meetings by telephone, video, internet or other form of electronic media conference, so long as minutes of such meetings are prepared in accordance with Section 7.3(c). The Management Committee may also take actions in accordance with resolutions signed by all members of the Management Committee at the applicable time.

7.5 Matters Requiring Approval. Except as otherwise delegated to the Manager in accordance with Section 8.3, the Management Committee shall have exclusive authority to determine all matters related to overall policies, objectives, procedures, methods and actions under this Agreement.

ARTICLE 8 MANAGER

8.1 Appointment. The Participants hereby appoint Intor as the initial Manager, with overall management responsibility for Operations. Intor hereby agrees to serve until it resigns or is deemed to resign as provided in Section 8.5. Notwithstanding the foregoing, the Parties agree that if Intor assigns, sells, conveys or otherwise transfers all or any portion of its right, title and interest in and to this Agreement or the Properties, Eureka will automatically become the Manager effective as of the time of closing of such assignment or transfer, or such earlier time as may be agreed to by Intor and Eureka.

8.2 Management Fee. The Manager will be entitled to charge a management fee to the Business Account in connection with the services to be provided as Manager under this Agreement, as set out in Section 2.13 of Schedule C.

8.3 Powers and Duties of Manager. Subject to the terms and provisions of this Agreement, the Manager shall have the following powers and duties, which shall be discharged in accordance with adopted Programs and Budgets:

- (a) the Manager shall: (i) manage, direct and control Operations, and (ii) prepare and present to the Management Committee proposed Programs and Budgets as provided in Article 9;
- (b) the Manager shall: (i) implement the decisions of the Management Committee, (ii) make all expenditures necessary to carry out adopted Programs, and (iii) promptly advise the Management Committee if it lacks sufficient funds to carry out its responsibilities under this Agreement;

- (c) the Manager shall: (i) purchase or otherwise acquire all material, supplies, equipment, water, utility and transportation services required for Operations, such purchases and acquisitions to be made, to the extent reasonably possible, on the best terms available, taking into account all of the circumstances, (ii) obtain such customary warranties and guarantees as are available in connection with such purchases and acquisitions, and (iii) keep the Assets free and clear of all Encumbrances, except for those existing at the time of, or created concurrent with, the acquisition of such Assets, or mechanic's or materialmen's liens (which shall be contested, released or discharged in a diligent manner), or Encumbrances specifically approved by the Management Committee;
- (d) the Manager shall conduct such title examinations and cure such title defects with respect to the Properties as may be advisable in the reasonable judgment of the Manager or as may be requested by the Management Committee;
- (e) the Manager shall: (i) make or arrange for all payments required by leases, licenses, permits, contracts and other instruments and agreements related to the Assets; (ii) pay all taxes, assessments and like charges on Operations and Assets, except taxes determined or measured by a Participant's sales revenue or net income, and taxes, including production taxes, attributable to a Participant's share of Products, and shall otherwise promptly pay and discharge expenses incurred in Operations, provided, however, that, if authorized by the Management Committee, the Manager shall have the right to contest (in the courts or otherwise) the validity or amount of any taxes, assessments or charges if the Manager deems them to be unlawful, unjust, unequal or excessive, or to undertake such other steps or proceedings as the Manager may deem reasonably necessary to secure a cancellation, reduction, readjustment or equalization thereof before the Manager shall be required to pay them, but in no event shall the Manager permit or allow title to the Assets to be lost as the result of the nonpayment of any taxes, assessments or like charges, and (iii) do all other acts reasonably necessary to maintain the Assets;
- (f) the Manager shall: (i) apply for all necessary permits, licenses and approvals, (ii) comply with all applicable Laws, (iii) notify the Management Committee promptly of any allegations of substantial violation of any applicable Laws, and (iv) prepare and file all reports or notices required for, or as a result of, the Operations. The Manager shall not be in breach of this provision if a violation has occurred in spite of the Manager's good faith efforts to comply consistent with its standard of care under Section 8.4. In the event of any such violation, the Manager shall timely cure or dispose of such violation on behalf of both Participants through performance, payment of fines and penalties, or both, and the cost thereof shall be charged to the Business Account;
- (g) the Manager shall prosecute and defend, but shall not initiate without consent of the Management Committee, all litigation or administrative proceedings arising out of the Operations. The non-managing Participant shall have the right to participate, at its own expense, in such litigation or administrative proceedings.

The non-managing Participant shall approve in advance any settlement involving payments, commitments or obligations in excess of \$50,000 in cash or value;

- (h) the Manager shall provide insurance for the benefit of the Participants as provided in Schedule E, or as may otherwise be determined from time to time by the Management Committee;
- (i) the Manager may dispose of Assets, whether by abandonment, surrender or Transfer in the ordinary course of business, except that Properties may be abandoned or surrendered only as provided in Article 14. Without prior authorization from the Management Committee, however, the Manager shall not: (i) dispose of Assets in any one transaction (or in any series of related transactions) having a value in excess of \$25,000, (ii) enter into any sales contracts or commitments for Product, except as permitted in Section 11.2, (iii) begin a liquidation of the Business, or (iv) dispose of all or a substantial part of the Assets necessary to achieve the purposes of the Business;
- (j) the Manager shall have the right to carry out its responsibilities hereunder through agents, Affiliates or independent contractors;
- (k) the Manager shall perform or cause to be performed during the term of this Agreement all assessment and other work, and shall pay all Governmental Fees, required by applicable Laws in order to maintain the Assets, including the unpatented mining claims and any related sites included within the Properties. The Manager shall have the right to perform the assessment work required hereunder pursuant to a common plan of exploration and continued actual occupancy of such claims and sites shall not be required. The Manager shall not be liable on account of any determination by any court or Governmental Authority that the work performed by the Manager does not constitute the required annual assessment work or occupancy for the purposes of preserving or maintaining ownership of the claims, provided that the work done is in accordance with an adopted Program and Budget and is performed in accordance with the Manager's standard of care under Section 8.4. The Manager shall timely record with the appropriate county and file with the appropriate United States agency any required affidavits, notices of intent to hold and other documents in proper form attesting to the payment of Government Fees, the performance of assessment work or intent to hold the claims and sites, in each case in sufficient detail to reflect compliance with the requirements applicable to each claim and site. The Manager shall not be liable on account of any determination by any court or Governmental Authority that any such document submitted by the Manager does not comply with applicable requirements, provided that such document is prepared and recorded or filed in accordance with the Manager's standard of care under Section 8.4;
- (l) if authorized by the Management Committee, the Manager may: (i) locate, amend or relocate any unpatented mining claim or other site, (ii) locate any

fractions resulting from such amendment or relocation, (iii) apply for patents or mining leases or other forms of mineral tenure for any such unpatented claims or sites, (iv) abandon any unpatented mining claims for the purpose of locating mill sites or otherwise acquiring from the United States rights to the ground covered thereby, (v) abandon any unpatented mill sites for the purpose of locating mining claims or otherwise acquiring from the United States rights to the ground covered thereby, (vi) exchange with or convey to the United States any of the Properties for the purpose of acquiring rights to the ground covered thereby or other adjacent ground, and (vii) convert any unpatented claims or mill sites into one or more leases or other forms of mineral tenure pursuant to any Laws hereafter enacted;

- (m) the Manager shall keep and maintain all required accounting and financial records pursuant to the procedures described in Schedule B and in accordance with customary cost accounting practices in the mining industry, and shall ensure appropriate separation of accounts unless otherwise agreed by the Participants;
- (n) the Manager shall maintain Equity Accounts for each Participant. Each Participant's Equity Account shall be credited with the value of such Participant's contributions under Sections 5.1(a) and 5.1(b), as applicable, and shall be credited with amounts contributed by such Participant under Section 5.2(a). Each Participant's Equity Account shall be charged with the cash and the fair market value of property distributed to each Participant (net of liabilities assumed by each Participant and liabilities to which such distributed property is subject). Contributions and distributions shall include all cash contributions or distributions, plus the agreed value (expressed in dollars) of all in-kind contributions or distributions. Solely for purposes of determining the Equity Account balances of the Participants, the Manager shall reasonably estimate the fair market value of all Products distributed to the Participants, and such estimated value shall be used, regardless of the actual amount received by each Participant upon disposition of such Products;
- (o) the Manager shall keep the Management Committee advised of all Operations by submitting in writing to the members of the Management Committee: (i) quarterly progress reports that include statements of expenditures and comparisons of such expenditures to an adopted Budget, (ii) periodic summaries of data acquired, (iii) copies of reports concerning Operations, (iv) a detailed final report within 90 days after completion of each Program and Budget, which shall include comparisons between actual and budgeted expenditures and comparisons between the objectives and results of Programs, and (v) such other reports as any member of the Management Committee may reasonably request. Subject to Article 17, at all reasonable times the Manager shall provide the members of the Management Committee, or other representative of a Participant upon the request of such Participant's member of the Management Committee, access to, and the right to inspect and copy, all maps, drill logs and other drilling data, core tests, pulps, reports, surveys, assays, analyses, production reports,

operations, technical, accounting and financial records and other Business Information of any kind;

- (p) the Manager shall allow the non-managing Participant, at the latter's sole risk and expense and upon reasonable notice, and subject to reasonable safety regulations, to inspect the Assets and Operations at all reasonable times, so long as the inspecting Participant does not unreasonably interfere with Operations;
- (q) the Manager shall prepare an Environmental Compliance plan for all Operations consistent with the requirements of any applicable Laws or contractual obligations and shall include in each Program and Budget sufficient funding to implement the Environmental Compliance plan and to satisfy the financial assurance requirements of any applicable Laws or contractual obligations pertaining to Environmental Compliance. To the extent practicable, the Environmental Compliance plan shall incorporate concurrent reclamation of Properties disturbed by Operations;
- (r) the Manager shall undertake to perform Continuing Obligations when and as economic and appropriate, whether before or after termination of the Business. The Manager shall have the right to delegate performance of the Continuing Obligations to Persons having demonstrated skill and experience in relevant disciplines. As part of each Program and Budget submittal, the Manager shall specify in each Program and Budget the measures to be taken for performance of Continuing Obligations and the cost of such measures. The Manager shall keep the other Participant reasonably informed about the Manager's efforts to discharge Continuing Obligations. Authorized representatives of each Participant shall have the right from time to time to enter the Properties to inspect work directed toward satisfaction of Continuing Obligations and audit books, records and accounts related thereto;
- (s) the Manager shall maintain any funds deposited into the Environmental Compliance Fund in a separate, interest bearing cash management account, which may include money market investments and money market funds, and/or in longer term investments if approved by the Management Committee. Such funds, if any, shall be used solely for Environmental Compliance and Continuing Obligations, including the committing of such funds, interests in property, insurance or bond policies, or other security to satisfy applicable Laws regarding financial assurance for the reclamation or restoration of the Properties, and for other Environmental Compliance requirements;
- (t) if Participating Interests are adjusted in accordance with this Agreement, the Manager shall propose to the Management Committee, from time to time, one or more methods for fairly allocating costs for Continuing Obligations; and
- (u) the Manager shall undertake all other activities reasonably necessary to fulfill the foregoing, and to implement the policies, objectives, procedures, methods and actions determined by the Management Committee pursuant to Section 7.1.

8.4 Standard of Care. The Manager shall discharge all of its duties under Section 8.3 in a good, workmanlike and efficient manner, in accordance with sound mining and other applicable industry standards and practices, and in accordance with applicable Laws and with the terms and provisions of leases, licenses, permits, contracts and other agreements pertaining to the Assets. The Manager shall not be liable to the other Participant for any act or omission resulting in damage or loss except to the extent caused by or attributable to the Manager's willful misconduct or gross negligence. The Manager shall not be in default of any of its duties under Section 8.3 if its inability or failure to perform results from the failure of the other Participant to perform acts or to contribute amounts required of it under this Agreement.

8.5 Resignation; Deemed Offer to Resign. The Manager may resign upon not less than 30 days' prior written notice to the other Participant, in which case the other Participant may elect to become the new Manager by written notice to the resigning Participant within 30 days after receipt of the notice of resignation. If any of the following shall occur, the Manager shall be deemed to have resigned upon the occurrence of the event described, with the successor Manager to be appointed by the other Participant (which may be such other Participant or any other Person) at a subsequently called meeting of the Management Committee, at which the Manager shall not be entitled to vote:

- (a) the aggregate Participating Interest of the Manager and its Affiliates becomes less than 50% (including as a result of the transfer or assignment of all or any portion of the Participating Interest);
- (b) the Manager fails to perform a material obligation imposed upon it under this Agreement and such failure continues for a period of 90 days after notice from the other Participant demanding performance;
- (c) the Manager fails to pay or contest in good faith its bills and Business debts within 90 days after they are due;
- (d) a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official is appointed for a substantial part of its assets and such appointment is neither made ineffective nor discharged within 60 days after the making thereof, or such appointment is consented to, requested by, or acquiesced in by the Manager;
- (e) the Manager commences a voluntary case under any applicable bankruptcy, insolvency or similar Laws now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such Laws, or to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of any substantial part of its assets, or makes a general assignment for the benefit of creditors, or takes corporate or other action in furtherance of any of the foregoing; or
- (f) entry is made against the Manager of a judgment, decree or order for relief preventing its ability to serve as Manager by a court of competent jurisdiction in an involuntary case commenced under any applicable bankruptcy, insolvency or other similar Laws of any jurisdiction now or hereafter in effect.

In the event of a deemed resignation in accordance with Sections 8.5(d), 8.5(e) or 8.5(f), the appointment of a successor Manager shall be deemed to pre-date the event causing such deemed resignation.

8.6 Payments to Manager. The Manager shall be compensated for its services and reimbursed for its costs hereunder in accordance with Section 8.2 and the accounting procedures set out in Schedule B.

8.7 Transactions with Affiliates. If the Manager engages any Affiliate to provide services hereunder, it shall do so on terms no less favorable than would be the case in an arm's length transaction with an unrelated Person.

8.8 Activities during Deadlock. If the Management Committee for any reason fails to adopt an Exploration, Pre-Feasibility Study, Feasibility Study or Development Program and Budget, then, subject to the contrary direction of the Management Committee and to the receipt of necessary funds, the Manager shall continue Operations at levels sufficient to maintain the Properties. If the Management Committee for any reason fails to adopt any Mining Program and Budget subsequent to the initial Mining Program and Budget, then, subject to the contrary direction of the Management Committee and receipt of necessary funds, the Manager shall continue Operations at levels comparable with the last adopted Mining Program and Budget. For purposes of determining the required contributions of the Participants and their respective Participating Interests, the last adopted Program and Budget shall be deemed extended.

ARTICLE 9 PROGRAMS AND BUDGETS

9.1 Initial Program and Budget. The initial Program and Budget, to which both Participants have agreed, is hereby adopted and is attached as Schedule F.

9.2 Operations Pursuant to Programs and Budgets. Except as otherwise provided in Section 9.9 and Article 13, Operations shall be conducted, expenses shall be incurred, and Assets shall be acquired only pursuant to Programs and Budgets that have been duly adopted by the Management Committee. Every Program and Budget adopted pursuant to this Agreement shall provide for accrual of reasonably anticipated Environmental Compliance expenses for all Operations contemplated under the Program and Budget.

9.3 Presentation of Programs and Budgets. Proposed Programs and Budgets shall be prepared by the Manager for a period of one year or any other period as may be approved by the Management Committee, and shall be submitted to the Management Committee for review and consideration. Each proposed Program and Budget shall be reviewed and adopted upon a vote of the Management Committee in accordance with Sections 7.2 and 9.4. Each Program and Budget adopted by the Management Committee, regardless of length, shall be reviewed at least once a year at a meeting of the Management Committee. During the period encompassed by any Program and Budget, and at least 60 days prior to its expiration, or as otherwise agreed to by the Parties, a proposed Program and Budget for the succeeding period shall be prepared by the Manager and submitted to the Management Committee for review and consideration.

9.4 Review and Approval of Proposed Programs and Budgets. Within 30 days after submission of a proposed Program and Budget, the other Participant shall submit in writing to the Management Committee:

- (a) notice that the Participant approves any or all of the components of the proposed Program and Budget;
- (b) modifications proposed by the Participant to the components of the proposed Program and Budget; or
- (c) notice that the Participant rejects any or all of the components of the proposed Program and Budget.

If a Participant fails to give any of the foregoing responses within the allotted time, the failure shall be deemed to be a vote by the Participant for adoption of the Manager's proposed Program and Budget. If a Participant makes a timely submission to the Management Committee pursuant to Sections 9.4(b) or 9.4(c)), then the Manager, working with such Participant, shall seek, for a period of time not to exceed 30 days, to develop a complete Program and Budget acceptable to both Participants. The Manager shall then call a Management Committee meeting in accordance with Section 7.3 for the purposes of reviewing and voting upon the proposed Program and Budget.

9.5 Election to Participate.

- (a) By notice to the Management Committee within 20 days after the final vote adopting a Program and Budget, and notwithstanding its vote concerning adoption of a Program and Budget, a Participant may elect to participate in the approved Program and Budget: (i) in proportion to its respective Participating Interest; (ii) in some lesser amount than its respective Participating Interest; or (iii) not at all. In case of an election under subsection (ii) or (iii), its Participating Interest shall be recalculated as provided in Section 9.5(b), with dilution effective as of the first day of the Program Period for the adopted Program and Budget. If a Participant fails to so notify the Management Committee of the extent to which it elects to participate, the Participant shall be deemed to have elected to contribute to such Program and Budget in proportion to its respective Participating Interest as of the beginning of the Program Period.
- (b) If a Participant elects to contribute to an adopted Program and Budget some lesser amount than in proportion to its respective Participating Interest, or not at all, and the other Participant elects to fund all or any portion of the deficiency, the Participating Interest of the Reduced Participant shall be provisionally recalculated as follows:
 - (i) for an election made before Payout, by dividing: (A) the sum of (1) the amount credited to the Reduced Participant's Equity Account with respect to its Initial Contribution under Section 5.1, (2) the total of all of the Reduced Participant's contributions under Section 5.2, and (3) the

amount, if any, the Reduced Participant elects to contribute to the adopted Program and Budget; by (B) the sum of (1), (2) and (3) above for both Participants; and then multiplying the result by 100; or

- (ii) for an election made after Payout, by reducing its Participating Interest in an amount equal to one times the amount by which it would have been reduced under Section 9.5(b)(i) if such election were made before the Payout.

The Participating Interest of the other Participant shall be increased by the amount of the reduction in the Participating Interest of the Reduced Participant, and if the other Participant elects not to fund the entire deficiency, the Manager shall adjust the Program and Budget to reflect the funds available.

- (c) Whenever the Participating Interests are recalculated pursuant to this Section 9.5: (i) the Equity Accounts of both Participants shall be revised to bear the same ratio to each other as their recalculated Participating Interests; and (ii) the portion of the Capital Account attributable to the reduced Participating Interest of the Reduced Participant shall be transferred to the other Participant.

9.6 Recalculation or Restoration of Reduced Interest Based on Actual Expenditures.

- (a) If a Participant makes an election under Section 9.5(a)(ii) or (iii), then, within 60 days after the conclusion of any such Program and Budget, the Manager shall report the total amount of money expended plus the total obligations incurred by the Manager for such Budget.
- (b) If the Manager expended or incurred obligations that were more or less than the adopted Budget, the Participating Interests shall be recalculated pursuant to Section 9.5(b) by substituting each Participant's actual contribution to the adopted Budget for that Participant's estimated contribution at the time of the Reduced Participant's election under Section 9.5(a).
- (c) If the Manager expended or incurred obligations of less than 80% of the adopted Budget, then, within 45 days of receiving the Manager's report on expenditures, the Reduced Participant may notify the other Participant of its election to reimburse the other Participant for the difference between any amount contributed by the Reduced Participant to such adopted Program and Budget and the Reduced Participant's proportionate share (at the Reduced Participant's former Participating Interest) of the actual amount expended or incurred for the Program, plus interest on the difference accruing at the rate described in Section 10.3 plus 2 percentage points. The Reduced Participant shall deliver the appropriate amount (including interest) to the other Participant with such notice. Failure of the Reduced Participant to so notify and tender such amount shall result in dilution occurring in accordance with this Article 9 and shall bar the Reduced Participant from its rights under this Section 9.6(c) concerning the relevant approved Program and Budget.

- (d) All recalculations under this Section 9.6 shall be effective as of the first day of the Program Period for the Program and Budget. The Manager, on behalf of both Participants, shall make such reimbursements, reallocations of Products, contributions and other adjustments as are necessary such that, to the extent possible, each Participant will be placed in the position it would have been in had its Participating Interest as recalculated under this Section 9.6 been in effect throughout the Program Period for such Program and Budget. If the Participants are required to make contributions, reimbursements or other adjustments pursuant to this Section 9.6, the Manager shall have the right to purchase or sell a Participant's share of Products in the same manner as under Section 11.2 and to apply the proceeds of such sale to satisfy that Participant's obligation to make such contributions, reimbursements or adjustments.
- (e) Whenever the Participating Interests are recalculated pursuant to this Section 9.6: (i) the Equity Accounts of both Participants shall be revised to bear the same ratio to each other as their recalculated Participating Interests; and (ii) the portion of the Capital Account attributable to the reduced Participating Interest of the Reduced Participant shall be transferred to the other Participant.

9.7 Pre-Feasibility Study Program and Budgets.

- (a) At such time as either Participant is of the good faith and reasonable opinion that economically viable Mining Operations may be possible on the Properties, the Participant may present a written proposal to the Management Committee that a Pre-Feasibility Study Program and Budget, or a Program and Budget that includes Pre-Feasibility Studies, be prepared. Such proposal shall include a general description of the proposed Development and Mining alternatives, the number and type of Pre-Feasibility Studies proposed to be conducted, a statement from the Participant that it believes economically viable Mining Operations on the Properties may be possible, and a detailed summary of the data upon which the proposing Participant bases its belief. The proposal shall be accompanied by a written notice of the date and time of a meeting of the Management Committee to consider the proposal to be held not less than 20 days after the submission of the proposal. If the Management Committee adopts a proposal, the Manager shall prepare and submit to the Management Committee, within 60 days after the adoption of the proposal, a proposed Program and Budget including the Pre-Feasibility Studies consistent with the adopted proposal, including any modifications to the proposal approved by the Management Committee.
- (b) The Program for the Pre-Feasibility Studies prepared by the Manager under Section 9.7(a) shall provide for the following for the various alternatives in the approved proposal: (i) analyses of the various alternatives for mining, processing and beneficiation of Products; (ii) analyses of alternative mining and production rates; (iii) analyses of alternative sites for placement of facilities (i.e., water supply facilities, transport facilities, reagent storage, offices, shops, warehouses, stock yards, handling facilities, housing, public facilities); (iv) analyses of

alternatives for waste treatment and handling (including a description of each alternative of the method of tailings disposal and the location of the proposed disposal site); (v) estimates of recoverable proven and probable reserves of Products and of related substances, in terms of technical and economic constraints (extraction and treatment of Products), including the effect of grade, losses, and impurities, and the estimated mineral composition and content thereof, and review of mining rates commensurate with such reserves; (vi) analyses of environmental impacts of the various alternatives, including an analysis of the permitting, environmental liability and other Environmental Law implications of each alternative, and costs of Environmental Compliance for each alternative; (vii) conduct of appropriate metallurgical tests to determine the efficiency of alternative extraction, recovery and processing techniques, including an estimate of water, power, and reagent consumption requirements; (viii) conduct of hydrology and other studies related to any required dewatering; and (ix) such other studies and analyses contained in the approved Program and Budget.

- (c) The Management Committee shall meet in accordance with the provisions of this Agreement to approve or reject the proposed Program and Budget, with any modifications approved by the Management Committee. If the Management Committee approves a Pre-Feasibility Study Program and Budget or a Program and Budget that includes one or more Pre-Feasibility Studies, the Manager shall cause the Pre-Feasibility Studies to be completed as necessary to satisfy the requirements of the proposal adopted by the Management Committee and the adopted Program and Budget. Any such approved Program and Budget shall replace the Program and Budget then in effect. To the extent not previously approved in the adopted proposal or the Program and Budget, any engineering firms or other contractors engaged to prepare Pre-Feasibility Studies and the audit and other requirements for any such Pre-Feasibility Studies shall be approved by the Management Committee. If the Manager concludes, based on any work conducted in connection with a Pre-Feasibility Study, that further work is unwarranted for a particular alternative, the Manager may, in its discretion, discontinue expenditures for that alternative.
- (d) As soon as reasonably practicable following completion of all Pre-Feasibility Studies required under the Program and Budget for the Pre-Feasibility Studies, the Manager shall prepare and submit to the Management Committee a report (the “**Pre-Feasibility Study Summary Report**”) summarizing the results of the analyses of the alternatives and other matters evaluated in the Pre-Feasibility Studies, including a description of any alternative that the Manager has determined should no longer be considered as a feasible alternative and the reasons for its conclusion.
- (e) Within 60 days after the delivery by the Manager of the Pre-Feasibility Study Summary Report, the Management Committee shall meet in accordance with the provisions of this Agreement to determine whether to proceed with the preparation of a Feasibility Study for any alternative summarized in the Pre-

Feasibility Study Summary Report. If the Management Committee selects an Approved Alternative, then within 60 days following the selection of the Approved Alternative, the Manager shall submit to the Management Committee a proposed Program and a Budget for Operations during the preparation and completion of the Feasibility Study.

- (f) The Management Committee shall meet in accordance with the provisions of this Agreement to approve or reject the proposed Program and Budget that includes the Feasibility Study, with any modifications approved by the Management Committee. If the Management Committee approves the Program and Budget, the Manager shall cause a Feasibility Study to be completed for the Approved Alternative in a form and of a scope generally acceptable to reputable financial institutions that provide financing to the mining industry, including a review of the information presented in the Pre-Feasibility Studies for the Approved Alternative. Any such approved Program and Budget shall replace the Program and Budget then in effect. Any engineering firms or other contractors engaged to prepare the Feasibility Study and the audit and other requirements for the Feasibility Study shall be approved by the Management Committee.

9.8 Budget Overruns; Program Changes. The Manager shall immediately notify the Management Committee of any material departure from an adopted Program and Budget. If the Manager exceeds an adopted Budget by more than 15% in the aggregate, then the excess over 15%, unless directly caused by an emergency or unexpected expenditure made pursuant to Section 9.9 or unless otherwise authorized or ratified by the Management Committee, shall be for the sole account of the Manager and such excess shall not be included in the calculations of the Participating Interests nor deemed a contribution under this Agreement. Budget overruns of 15% or less in the aggregate shall be borne by the Participants in proportion to their respective Participating Interests.

9.9 Emergency or Unexpected Expenditures. In case of emergency, the Manager may take any reasonable action it deems necessary to protect life, limb or property, to protect the Assets or to comply with applicable Laws. The Manager may also make reasonable expenditures on behalf of the Participants for unexpected events that are beyond its reasonable control and that do not result from a breach by it of its standard of care under Section 8.4. The Manager shall promptly notify the Participants of the emergency or unexpected expenditure, and the Manager shall be reimbursed for all resulting costs by the Participants in proportion to their respective Participating Interests.

ARTICLE 10 ACCOUNTS AND SETTLEMENTS

10.1 Monthly Statements. The Manager shall promptly submit to the Management Committee monthly statements of account reflecting in reasonable detail the charges and credits to the Business Account during the preceding month.

10.2 Cash Calls. On the basis of each adopted Program and Budget, the Manager shall submit to each Participant, prior to the last day of the Manager's fiscal quarter, a billing for

estimated cash requirements for the next fiscal quarter. Within 10 days after receipt of each billing, or within 20 days of a billing made pursuant to Sections 9.9 or 12.4, each Participant shall advance to the Manager its proportionate share of such cash requirements. The Manager shall record all funds received in the Business Account. All funds in excess of immediate cash requirements shall be invested by the Manager in cash management accounts and investments selected at the discretion of the Manager, which accounts may include, but are not limited to, money market investments and money market funds.

10.3 Failure to Meet Cash Calls. A Participant that fails to meet cash calls in the amount and at the times specified in Section 10.2 shall be in default under this Agreement, and the amounts of the defaulted cash call shall bear interest from the date due at an annual rate equal to 5 percentage points over the Prime Rate, but in no event shall the rate of interest exceed the maximum permitted by applicable Laws. Such interest shall accrue to the benefit of and be payable to the non-defaulting Participant, but shall not be deemed as amounts contributed to the non-defaulting Participant in the event dilution occurs in accordance with Article 6.

10.4 Cover Payment. If a Participant defaults in making a contribution or cash call required by an adopted Program and Budget, the non-defaulting Participant may, but shall not be obligated to, advance some portion or all of the amount in default on behalf of the defaulting Participant (in any case, a “**Cover Payment**”). Each and every Cover Payment shall constitute a demand loan bearing interest from the date of the advance at the rate provided in Section 10.3. If more than one Cover Payment is made, the Cover Payments shall be aggregated and the rights and remedies described herein pertaining to an individual Cover Payment shall apply to the aggregated Cover Payments.

10.5 Remedies. The Participants acknowledge that if either Participant defaults in making a contribution required by Article 5 or a cash call, or in repaying a loan, as required under Sections 10.2, 10.3 or 10.4, whether or not a Cover Payment is made, it will be difficult to measure the damages resulting from such default (it being hereby understood and agreed that the Participants have attempted to determine such damages in advance and determined that the calculation of such damages cannot be ascertained with reasonable certainty). Both Participants acknowledge and recognize that the damage to the non-defaulting Participant could be significant. In the event of such default, as reasonable liquidated damages, the non-defaulting Participant may, with respect to any such default not cured within 30 days after notice to the defaulting Participant of such default, elect any of the remedies set out in this Section 10.5 by giving notice to the defaulting Participant.

- (a) The defaulting Participant grants the non-defaulting Participant a power of sale as to all or any portion of its interest in any Assets or in its Participating Interest that is subject to the lien and security interest granted in Section 6.6 (whether or not such lien and security interest has been perfected), upon a default under Sections 10.3 or 10.4, provided that the amount owing to the non-defaulting Participant by the defaulting Participant exceeds \$100,000. Such power shall be exercised in the manner provided under applicable Laws or otherwise in a commercially reasonable manner and upon reasonable notice. If the non-defaulting Participant elects to enforce the lien or security interest pursuant to the terms of this Section 10.5(a), the defaulting Participant shall be deemed to

have waived any available right of redemption, any required valuation or appraisal of the secured property prior to the sale, any available right to stay execution or to require a marshaling of assets, and any required bond in the event a receiver is appointed, and the defaulting Participant shall be liable for any deficiency.

- (b) For a default relating to a Program, the non-defaulting Participant may elect to have the defaulting Participant's Participating Interest diluted or eliminated, as follows:
 - (i) The Reduced Participant's Participating Interest shall be recalculated by dividing: (X) the sum of (1) the value of the Reduced Participant's Initial Contribution under Section 5.1, (2) the total of all of the Reduced Participant's contributions under Section 5.2, and (3) the amount, if any, the Reduced Participant contributed to the adopted Program and Budget with respect to which the default occurred; by (Y) the sum of (1), (2) and (3) above for both Participants; and then multiplying the result by 85, and the Participating Interest of the other Participant shall be increased by the amount of the reduction in the Participating Interest of the Reduced Participant.
 - (ii) Dilution under this Section 10.5(b) shall be effective as of the date of the original default, and Section 9.6 shall not apply. The amount of any Cover Payment under Section 10.4, and interest thereon, or any interest accrued in accordance with Section 10.3, shall be deemed to be amounts contributed by the non-defaulting Participant, and not as amounts contributed by the defaulting Participant.
 - (iii) Whenever the Participant Interests are recalculated pursuant to this Section 10.5(b): (A) the Equity Accounts of both Participants shall be adjusted to bear the same ratio to each other as their recalculated Participating Interests; and (B) the portion of Capital Account attributable to the reduced Participating Interest of the Reduced Participant shall be transferred to the other Participant.
- (c) If a Participant has defaulted in meeting a cash call or repaying a loan, and if the non-defaulting Participant has made a Cover Payment, then, in addition to a reduction in the defaulting Participant's Participating Interest effected pursuant to Section 10.5(b), the non-defaulting Participant shall have the right, if the indebtedness arising from a default or Cover Payment is not discharged within 30 days of the default and upon not less than 30 days' advance notice to the defaulting Participant, to elect to purchase all the right, title and interest, whenever acquired or arising, of the defaulting Participant in the Assets, including its Participating Interest (but excluding its 5.0% interest in Net Proceeds in accordance with Section 6.3(a)), together with all proceeds from and accessions of the foregoing (collectively, the **"Defaulting Participant's Entire Interest"**) at a purchase price equal to 80% of the fair market value thereof as

determined by a qualified independent appraiser appointed by the non-defaulting Participant. If the defaulting Participant conveys notice of objection to the appraiser so appointed within 10 days after receiving notice thereof, then an independent and qualified appraiser shall be appointed by the joint action of the appraiser appointed by the non-defaulting Participant and a qualified independent appraiser appointed by the defaulting Participant, provided, however, that if the defaulting Participant fails to designate a qualified independent appraiser for such purpose within 10 days after giving notice of such objection, then the appraiser originally designated by the non-defaulting Participant shall serve as the appraiser, and, provided further, that, if the appraisers appointed by each of the Participants fail to appoint a third qualified independent appraiser within 10 days after the appointment of the last of them, then an appraiser shall be appointed by a judge of a court of competent jurisdiction in the state in which the Assets are situated upon the application of either Participant. There shall be withheld from the purchase price payable, upon transfer of the Defaulting Participant's Entire Interest, the amount of any Cover Payment under Section 10.4 and unpaid interest thereon to the date of such transfer, or any unpaid interest accrued in accordance with Section 10.3 to the date of such transfer. Upon payment of such purchase price, the defaulting Participant shall be deemed to have relinquished all of the Defaulting Participant's Entire Interest to the non-defaulting Participant, but shall remain liable to the extent provided in Section 6.4.

10.6 Audits.

- (a) Upon request made by any Participant within 3 months following the end of any calendar year (or, if the Management Committee has adopted an accounting period other than the calendar year, within 3 months after the end of such period), the Manager shall cause an audit of the accounting and financial records for such calendar year (or other accounting period) to be completed by certified public accountants or chartered accountants selected by, and independent of, the Manager, unless otherwise agreed to by both Participants. The audit shall be conducted in accordance with generally accepted auditing standards and shall cover all books and records maintained by the Manager pursuant to this Agreement, all Assets and Encumbrances, and all transactions and Operations conducted during such calendar year (or other accounting period), including production and inventory records and all costs for which the Manager sought reimbursement under this Agreement, together with all other matters customarily included in such audits. All written exceptions to and claims upon the Manager for discrepancies disclosed by such audit shall be made not more than 3 months after receipt of the audit report, unless either Participant elects to conduct an independent audit pursuant to Section 10.6(b) which is ongoing at the end of such 3 month period, in which case such exceptions and claims may be made within the period provided in Section 10.6(b). Failure to make any such exception or claim within such period shall mean the audit is deemed to be

correct and binding upon the Participants. The cost of all audits under this Section 10.6(b) shall be charged to the Business Account.

- (b) Notwithstanding the annual audit conducted in accordance with Section 10.6(a), each Participant shall have the right to have an independent audit of all Business books, records and accounts, including all charges to the Business Account, at any time. This audit shall review all issues raised by the requesting Participant, with all costs borne by the requesting Participant. The requesting Participant shall give the other Participant 30 days' prior notice of any such audit. Any audit conducted on behalf of either Participant shall be made during the Manager's normal business hours and shall not unreasonably interfere with Operations. Neither Participant shall have the right to audit records and accounts of the Business relating to transactions or Operations more than 24 months after the calendar year (or other applicable accounting period end) during which such transactions, or transactions related to such Operations, were charged to the Business Account. All written exceptions to, and claims upon, the Manager for discrepancies disclosed by such audit shall be made not more than 3 months after completion and delivery of such audit, or they shall be deemed waived.

ARTICLE 11

DISPOSITION OF PRODUCTION

11.1 Taking In Kind. Each Participant shall take in kind or separately dispose of its share of all Products in proportion to its Participating Interest. Any extra expenditure incurred in the taking in kind or separate disposition by either Participant of its proportionate share of Products shall be borne by such Participant. Nothing in this Agreement shall be construed as providing, directly or indirectly, for any joint or cooperative marketing or selling of Products or permitting the processing of Products of any Person other than the Participants at any processing facilities constructed by the Participants pursuant to this Agreement. The Manager shall give the Participants at least 10 days advance notice of the delivery date upon which their respective shares of Products will be available.

11.2 Failure of Participant to Take In Kind. If a Participant fails to take its proportionate share of Products in kind, the Manager shall have the right, but not the obligation, for a period of time consistent with the minimum needs of the industry, but not to exceed one year from the notice date described in Section 11.1, to purchase the Participant's share for its own account or to sell such share as agent for the Participant at not less than the prevailing market price in the area. Subject to the terms of any such contracts of sale then outstanding, during any period that the Manager is purchasing or selling a Participant's share of production, the Participant may elect, by notice to the Manager, to take in kind. The Manager shall be entitled to deduct from proceeds of any sale by it for the account of a Participant reasonable expenses incurred in such a sale.

11.3 Hedging. Neither Participant shall have any obligation to account to the other Participant for, nor have any interest or right of participation in any profits or proceeds, nor have any obligation to share in any losses from, futures contracts, forward sales, trading in puts,

calls options or any similar hedging, price protection or marketing mechanism employed by a Participant with respect to its proportionate share of any Products.

ARTICLE 12

WITHDRAWAL AND TERMINATION

12.1 Termination by Expiration or Agreement. This Agreement shall terminate as expressly provided herein, unless earlier terminated by written agreement of both Participants.

12.2 Termination by Deadlock. If the Management Committee fails to adopt a Program and Budget for 6 months after the expiration of the latest adopted Program and Budget, either Participant may elect to terminate this Agreement by giving 30 days' notice of termination to the other Participant.

12.3 Withdrawal. A Participant may elect to withdraw from the Business and this Agreement by giving notice to the other Participant of the effective date of withdrawal, which shall be the later of: (a) the end of the then current Program Period, or (b) at least 30 days after the date of the notice. Upon such withdrawal, the Business and this Agreement shall terminate, and the withdrawing Participant shall be deemed to have transferred to the remaining Participant all of its Participating Interest, including all of its interest in the Assets, without cost and free and clear of all Encumbrances arising by, through or under such withdrawing Participant, except those exceptions to title described in Part 1 of Exhibit A and those to which both Participants have given their written consent. The withdrawing Participant shall execute and deliver all instruments as may be necessary in the reasonable judgment of the other Participant to effect the transfer of its interests in the Assets to the other Participant. If, within a 60 day period, both Participants elect to withdraw, then the Business shall instead be deemed to have been terminated by the consent of the Participants pursuant to Section 12.1.

12.4 Continuing Obligations and Environmental Liabilities. On termination of the Business and this Agreement under Sections 12.1, 12.2 or 12.3, each Participant shall remain liable for its respective share of liabilities to any other Person (whether such arises before or after such termination), including Environmental Liabilities and Continuing Obligations. Each Participant's share of such liabilities shall be equal to its Participating Interest at the time such liability was incurred, after first taking into account any reduction, readjustment or restoration of Participating Interests under Sections 6.3, 9.5, 9.6 or 10.5 (or, as to liabilities arising prior to the Effective Date, its initial Participating Interest).

12.5 Disposition of Assets on Termination. Promptly after termination under Section 12.1 or 12.2, the Manager shall take all action necessary to wind up the activities of the Business in accordance with Schedule C. All costs and expenses incurred in connection with the termination of the Venture shall be expenses chargeable to the Business Account.

12.6 Non-Compete Covenants. Neither a Participant that withdraws pursuant to Section 12.3, or is deemed to have withdrawn pursuant to Sections 5.2, 6.3 or 10.5, nor any Affiliate of such Participant, shall, directly or indirectly, acquire any interest or right to explore or mine, or both, on any property any part of which is within the Area of Interest for 12 months after the effective date of withdrawal. If a withdrawing Participant, or the Affiliate of a withdrawing

Participant, breaches this Section 12.6, such Participant shall be obligated to offer to convey to the non-withdrawing Participant, without cost, any such property or interest so acquired (or ensure its Affiliate offers to convey the property or interest to the non-withdrawing Participant, if the acquiring party is the withdrawing Participant's Affiliate). Such offer shall be made in writing and can be accepted by the non-withdrawing Participant at any time within 30 days after the offer is received by such non-withdrawing Participant. Failure of a Participant's Affiliate to comply with this Section 12.6 shall be deemed to be a breach of this Agreement by the applicable Participant.

12.7 Right to Data after Termination. After termination of this Agreement pursuant to Section 12.1 or 12.2, each Participant shall be entitled to copies of all applicable information acquired hereunder before the effective date of termination not previously furnished to it, but a terminating or withdrawing Participant shall not be entitled to any such copies after any other termination or any withdrawal.

12.8 Continuing Authority. On termination of this Agreement under Section 12.1, 12.2 or 12.3, or the deemed withdrawal of either Participant pursuant to Sections 5.2 or 10.5, the Participant that was the Manager prior to such termination or withdrawal (or the other Participant in the event of a withdrawal by the Participant that is the Manager) shall have the power and authority to do all things on behalf of both Participants which are reasonably necessary or convenient to: (a) wind up the Operations and (b) complete any transaction and satisfy any obligation, unfinished or unsatisfied, at the time of such termination or withdrawal, if the transaction or obligation arises out of Operations prior to such termination or withdrawal. The Manager shall have the power and authority to grant or receive extensions of time or change the method of payment of an already existing liability or obligation, prosecute and defend actions on behalf of both Participants and the Business, mortgage or otherwise encumber Assets, and take any other reasonable action in any matter with respect to which the former Participants continue to have, or appear or are alleged to have, a common interest or a common liability.

ARTICLE 13

ACQUISITIONS WITHIN AREA OF INTEREST

13.1 General. Any interest or right to acquire any interest in real property or mineral, royalty or water rights related thereto within the Area of Interest either acquired or proposed to be acquired during the term of this Agreement by or on behalf of either Participant (in any case, the "**Acquiring Participant**"), or any Affiliate thereof, shall be subject to the terms and provisions of this Agreement. Failure of any Affiliate of either Participant to comply with this Article 13 shall be deemed to be a breach of this Agreement by the applicable Participant.

13.2 Notice to Non-Acquiring Participant. Within 10 days after the acquisition or proposed acquisition, as the case may be, by an Acquiring Participant or an Affiliate thereof of any interest or the right to acquire any interest in real property or mineral, royalty or water rights located wholly or partially within the Area of Interest (except real property acquired by the Manager pursuant to a Program), the Acquiring Participant shall notify the other Participant of such acquisition. If the acquisition of any interest or right to acquire any interest pertains to real property or mineral, royalty or water rights partially within the Area of Interest, then all such

real property (i.e. both the parts within and outside the Area of Interest) shall be subject to this Article 13. The Acquiring Participant's notice shall describe in detail the acquisition, the acquiring party if that party is an Affiliate, the lands and minerals covered thereby, any water rights related thereto, the cost thereof, and the reasons why the Acquiring Participant believes that the acquisition (or proposed acquisition) of the interest is in the best interests of the Participants under this Agreement. In addition to such notice, the Acquiring Participant shall make any and all information concerning the relevant interest available for inspection by the other Participant.

13.3 Option Exercised. Within 30 days after receiving the Acquiring Participant's notice, the other Participant may notify the Acquiring Participant of its election to accept a proportionate interest in the acquired interest equal to its Participating Interest. Promptly upon such notice, the Acquiring Participant shall convey (or cause its Affiliate to convey) to the other Participant, by special warranty deed, such a proportionate undivided interest therein, free and clear of all Encumbrances arising by, through or under the Acquiring Participant (or its Affiliate), other than those to which both Participants have agreed. The acquired interest shall become a part of the Properties for all purposes of this Agreement immediately upon the notice of such other Participant's election to accept the proportionate interest therein. Such other Participant shall promptly pay to the Acquiring Participant its proportionate share of the latter's actual out-of-pocket acquisition costs.

13.4 Option Not Exercised. If the other Participant does not give such notice within the 30 day period set forth in Section 13.3, it shall have no interest in the acquired interest, and the acquired interest shall not be a part of the Properties or be subject to this Agreement.

ARTICLE 14

ABANDONMENT AND SURRENDER OF PROPERTIES

14.1 Surrender or Abandonment of Property. Either Participant may request the Management Committee to authorize the Manager to surrender or abandon part or all of the Properties. If the Management Committee does not authorize such surrender or abandonment, or authorizes any such surrender or abandonment over the objection of either Participant, the Participant that desires to abandon or surrender shall assign to the objecting Participant, by special warranty deed and without cost to the objecting Participant, all of the abandoning Participant's interest in the Properties sought to be abandoned or surrendered, free and clear of all Encumbrances created by, through or under the abandoning Participant other than those to which both Participants have agreed. Upon such assignment, any abandoned or surrendered property shall cease to be part of the Properties. The Participant that desires to abandon or surrender shall remain liable for its share (determined by its Participating Interest as of the date of such abandonment, after first taking into account any reduction, readjustment or restoration of Participating Interests under Sections 6.3, 9.5, 9.6 or 10.5) of any liability with respect to such Properties, including Continuing Obligations, Environmental Liabilities and Environmental Compliance, whether accruing before or after such abandonment or surrender, arising out of activities prior to the Effective Date and out of Operations conducted prior to the date of such abandonment or surrender, regardless of when any funds may be expended to satisfy such liability.

14.2 Reacquisition. If any Properties are abandoned or surrendered under the provisions of this Article 14, then, unless this Agreement is earlier terminated, neither Participant nor any Affiliate thereof shall acquire any interest in such Properties or a right to acquire such Properties for a period of 12 months following the date of such abandonment or surrender. If a Participant reacquires any Properties in violation of this Section 14.2, the other Participant may elect, by notice to the reacquiring Participant within 45 days after it has actual notice of such reacquisition, to have such properties made subject to the terms of this Agreement. In the event such an election is made, the reacquired properties shall thereafter be treated as Properties, and the costs of reacquisition shall be borne solely by the reacquiring Participant and shall not be included for purposes of calculating the Participants' respective Participating Interests.

ARTICLE 15

TRANSFER OF INTEREST; PRE-EMPTIVE RIGHT

15.1 General. A Participant shall have the right to Transfer to any other Person all or any part of its Participating Interest, including any interest in this Agreement or the Assets, solely as provided in this Article 15.

15.2 Limitations on Free Transferability. Any Transfer by either Participant under this Article 15 shall be subject to the following limitations:

- (a) neither Participant shall Transfer any interest in this Agreement or the Assets except in conjunction with the Transfer of part or all of its Participating Interest;
- (b) a Participant shall not transfer of all or any part of its Participating Interest unless and until the transferring Participant has provided to the other Participant notice of the proposed Transfer, and except as provided in Sections 15.2(g) or 15.2(h), the transferee, as of the effective date of the Transfer, has committed in writing to be bound by this Agreement to the same extent as the transferring Participant. For greater certainty, if applicable, Intor will obtain the written consent of Advantage Lithium Corp. to be bound by the terms of this Agreement to the same extent as Intor;
- (c) neither Participant, without the consent of the other Participant, shall make a Transfer that shall violate any applicable Laws or result in the cancellation of any permits, licenses or other similar authorization;
- (d) no Transfer permitted by this Article 15 shall relieve the transferring Participant of its share of any liability, whether accruing before or after such Transfer, which arises out of Operations conducted prior to such Transfer or exists on the Effective Date;
- (e) neither Participant, without the consent of the other Participant, shall make a Transfer that shall cause the termination of the tax partnership established by Section 4.2. If such termination is caused, the transferring Participant shall indemnify the other Participant for, from and against any and all loss, cost, expense, damage, liability or claim therefor arising from the Transfer, including

any increase in taxes, interest and penalties or decrease in credits caused by such termination and any tax on indemnification proceeds received by the indemnified Participant;

- (f) in the event of a Transfer of less than all of a Participating Interest, the transferring Participant and its transferee shall act and be treated as one Participant, provided, however, that in order for such Transfer to be effective, the transferring Participant and its transferee must first:
 - (i) agree, as between themselves, that one of them is authorized to act as the sole agent (the “**Agent**”) on both of their behalves with respect to all matters pertaining to this Agreement and the Business, and
 - (ii) notify the other Participant of the designation of the Agent and, in such notice, represent and warrant to the other Participant that:
 - A. the Agent has the sole authority to act on behalf of, and to bind, the transferring Participant and its transferee with respect to all matters pertaining to this Agreement and the Business,
 - B. the other Participant may rely on all decisions of, notices and other communications from, and failures to respond by, the Agent as if given (or not given) by both the transferring Participant and its transferee, and
 - C. all decisions of, notices and other communications from, and failures to respond by, the other Participant to the Agent shall be deemed to have been given (or not given) to the transferring Participant and its transferee;
- (g) if the Transfer is the grant of an Encumbrance in a Participating Interest to secure a loan or other indebtedness of either Participant in a bona fide transaction, other than a transaction approved unanimously by the Management Committee or Project Financing approved by the Management Committee, such Encumbrance shall be granted only in connection with such Participant’s financing payment or performance of the Participant’s obligations under this Agreement and shall be subject to the terms of this Agreement and the rights and interests of the other Participant hereunder. Any such Encumbrance shall be further subject to the condition that the holder of such Encumbrance (the “**Chargee**”) first enter into a written agreement with the other Participant, in form satisfactory to the other Participant, acting reasonably, and binding upon the Chargee, to the effect that:
 - (i) the Chargee shall not enter into possession or institute any proceedings for foreclosure or partition of the encumbering Participant’s Participating Interest and that such Encumbrance shall be subject to the provisions of this Agreement,

- (ii) the Chargee's remedies under the Encumbrance shall be limited to the sale of the whole (but only of the whole) of the encumbering Participant's Participating Interest to the other Participant, or, failing such a sale, at a public auction to be held at least 45 days after prior notice to the other Participant, such sale to be subject to the purchaser entering into a written agreement with the other Participant whereby such purchaser assumes all obligations of the encumbering Participant under the terms of this Agreement, and
- (iii) the Encumbrance shall be subordinate to any then-existing debt encumbering the encumbering Participant's Participating Interest, including Project Financing previously approved by the Management Committee; and
- (h) if a sale or other commitment or disposition of Products or proceeds from the sale of Products by either Participant upon distribution to it pursuant to Article 11 creates in any other Person a security interest by Encumbrance in Products or proceeds therefrom prior to such distribution, such sales, commitment or disposition shall be subject to the terms and conditions of this Agreement.

15.3 Pre-emptive Right. Except as otherwise provided in Section 15.4, if a Participant desires to Transfer all or any part of its interest in this Agreement, any Participating Interest, or the Assets, the other Participant shall have a preemptive right to acquire such interests as follows:

- (a) a Participant intending to Transfer all or any part of its interest in this Agreement, any Participating Interest, or the Assets shall promptly notify the other Participant of its intentions. The notice shall state the price and all other pertinent terms and conditions of the intended Transfer, and shall be accompanied by a copy of the offer or contract for sale. The other Participant shall have 30 days from the date such notice is delivered to notify the transferring Participant whether it elects to acquire the offered interest at the same price and on the same terms and conditions as set forth in the notice. If it does so elect, the Transfer shall be consummated within 60 days after notice of such election is delivered to the transferring Participant;
- (b) if the other Participant fails to so elect within the period provided for in Section 15.3(a), the transferring Participant shall have 90 days following the expiration of such period to consummate the Transfer to a third party at a price and on terms no less favorable than those offered by the transferring Participant to the other Participant in the notice required in Section 15.3(a); and
- (c) if the transferring Participant fails to consummate the Transfer to a third party within the period set forth in Section 15.3(b), the pre-emptive right of the other Participant in such offered interest shall be deemed to be revived. Any subsequent proposal to Transfer such interest shall be conducted in accordance with all of the procedures set forth in this Section 15.3.

15.4 Exceptions to Pre-emptive Right. Section 15.3 shall not apply to:

- (a) any Transfer by a Participant of all or any part of its interest in this Agreement, any Participating Interest, or the Assets to an Affiliate;
- (b) any corporate merger, consolidation, amalgamation or reorganization of a Participant by which the surviving entity shall possess substantially all of the outstanding common shares, or all of the property rights and interests, and be subject to substantially all of the liabilities and obligations of that Participant;
- (c) the grant by a Participant of a security interest in any interest in this Agreement, any Participating Interest, or the Assets by any Encumbrance; and
- (d) a sale or other commitment or disposition of Products or proceeds from sale of Products by a Participant upon distribution to it pursuant to Article 11.

ARTICLE 16 DISPUTES

16.1 Governing Law. Except for any matter or dispute relating to the Properties, including title thereto, which shall be governed by and construed in accordance with the laws of the State of Nevada and the federal laws of the United States of America applicable therein, this Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and the Participants agree that the courts of British Columbia shall have sole jurisdiction to entertain any action or other legal proceeding based on any provision of this Agreement, and the Participants agree to attorn to the exclusive jurisdiction of such courts.

16.2 Dispute Resolution. All disputes arising under or in connection with this Agreement which cannot be resolved by agreement between the Participants shall be resolved in accordance with applicable Laws. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this Agreement, the successful or substantially prevailing Participant shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

ARTICLE 17 CONFIDENTIALITY, OWNERSHIP, USE AND DISCLOSURE OF INFORMATION

17.1 Business Information. All Business Information shall be jointly owned by the Participants in proportion to their Participating Interests as determined in accordance with this Agreement. Both before and after the termination of the Business, all Business Information may be used by either Participant (or Affiliates thereof) for any purpose, whether or not competitive with the Business, without consulting with, or obligation to, the other Participant. Except as provided in Sections 17.2 and 17.3, or with the prior written consent of the other Participant,

each Participant shall keep confidential and not disclose to any other Person or the public any portion of the Business Information that constitutes Confidential Information.

17.2 Permitted Disclosure of Confidential Business Information.

- (a) Either Participant may disclose Business Information that is Confidential Information: (i) to a Participant's officers, directors, partners, employees, Affiliates, agents, attorneys, accountants, consultants, contractors, subcontractors or advisors for the sole purpose of such Participant's performance of its obligations under this Agreement; (ii) to any Person to whom the disclosing Participant contemplates a Transfer of all or any part of its Participating Interest for the sole purpose of evaluating the proposed Transfer, (iii) to any actual or potential lender, underwriter or investor for the sole purpose of evaluating whether to make a loan to or investment in the disclosing Participant; or (iv) to any other Person with whom the disclosing Participant contemplates any independent business activity or operation.
- (b) The Participant disclosing Confidential Information pursuant to Section 17.2(a) shall disclose such Confidential Information only to those Persons who have a bona fide need to have access to such Confidential Information for the purpose for which the disclosure to such Persons is permitted under Section 17.2(a) and, in the case of Persons to whom disclosure is made in accordance with Sections 17.2(a)(ii), (iii) and (iv), who have entered into a non-disclosure agreement in favour of both Participants, that is enforceable by either Participant, to protect the Confidential Information from further disclosure, to use such Confidential Information solely for such purpose and to otherwise be bound by the provisions of this Article 17. The Participant disclosing Confidential Information shall be responsible and liable for any use or disclosure of the Confidential Information by any Person in violation of this Agreement and any other agreements contemplated by this Section 17.2(b).

17.3 Disclosure Required by Law. Notwithstanding anything contained in this Article 17, a Participant, or its Affiliate, may disclose any Confidential Information if, in the opinion of the disclosing Participant's legal counsel: (a) such disclosure is legally required to be made in a judicial, administrative or other governmental or regulatory proceeding pursuant to a valid order; or (b) such disclosure is legally required to be made pursuant to the rules or regulations of any stock exchange or pursuant to any other applicable Laws applicable to a disclosing Participant. Prior to any disclosure under this Section 17.3, the disclosing Participant shall give the other Participant, to the extent practicable, at least 10 days prior written notice and, in making such disclosure, the disclosing Participant shall disclose only that portion of the Confidential Information required to be disclosed and shall take all reasonable steps to preserve the confidentiality thereof, including, obtaining protective orders and supporting the other Participant in intervention in any such proceeding.

17.4 Public Announcements. Prior to making or issuing any press release or other public announcement or disclosure of Business Information that is not Confidential Information, a Participant shall first consult with the other Participant as to the content and timing of such

announcement or disclosure, unless in the good faith judgment of such Participant, there is not sufficient time to consult with the other Participant before such announcement or disclosure must be made under applicable Laws; but in such event, the disclosing Participant shall notify the other Participant, as soon as possible, of the pendency of such announcement or disclosure, and it shall notify the other Participant before any such announcement or disclosure is made if at all reasonably possible. Any press release or other public announcement or disclosure to be issued by either Participant relating to the Business shall also identify the other Participant.

ARTICLE 18 GENERAL PROVISIONS

18.1 Notices. All notices, payments and other required communications (in any case, a “**Notice**”) to either Participant shall be in writing, and shall be addressed respectively as follows:

(a) If to Intor:

Intor Resources Corp.
1100 – 1111 Melville Street
Vancouver, British Columbia
Canada V6E 3V6
Email: warrenstanyer@nevadasunrise.ca

(b) If to Eureka:

Eureka Minerals (USA) Inc.
1100 – 1111 Melville Street
Vancouver, British Columbia
Canada V6E 3V6
Email: info@eurekaresourcesinc.com

All Notices shall be given: (i) by personal delivery to the Participant, (ii) by electronic communication capable of producing a printed transmission, (iii) by registered or certified mail, return receipt requested, or (iv) by overnight or other express courier service. All Notices shall be effective and shall be deemed delivered: on the date of receipt at the principal address if received during normal business hours, and, if not delivered during normal business hours, on the next Business Day following delivery; if delivered by electronic communication, if sent prior to 5:00 p.m. (Pacific time) on a Business Day, on such Business Day, or, if not, on the next Business Day; and if delivered solely by mail on the next Business Day after actual receipt. Either Participant may change its address by Notice to the other Participant.

18.2 Waiver. The failure of either Participant to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit such Participant’s right thereafter to enforce any provision or exercise any right.

18.3 Force Majeure. Except for the obligation to make payments when due hereunder, the obligations of a Participant shall be suspended to the extent and for the period that performance is prevented by any cause, whether foreseeable or unforeseeable, beyond its reasonable control, including, labor disputes (however arising and whether or not employee demands are reasonable or within the power of the Participant to grant); acts of God; Laws, instructions or requests of any Governmental Authority; judgments or orders of any court; inability to obtain on reasonably acceptable terms any public or private license, permit or other authorization; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of any Environmental Laws; acts of war or conditions arising out of or attributable to war, whether declared or undeclared; riot, civil strife, insurrection or rebellion; fire, explosion, earthquake, storm, flood, sink holes, drought or other adverse weather condition; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors' or subcontractors' shortage of, or inability to obtain, labor, transportation, materials, machinery, equipment, supplies or utilities; accidents; breakdown of equipment, machinery or facilities; actions by First Nations or other indigenous groups, environmental groups or other special interest groups; or any other cause whether similar or dissimilar to the foregoing. The affected Participant shall promptly give notice to the other Participant of the suspension of performance, stating therein the nature of the suspension, the reasons therefor, and the expected duration thereof. The affected Participant shall resume performance as soon as reasonably possible. During the period of suspension, the obligations of both Participants to advance funds pursuant to Section 10.2 shall be reduced to levels consistent with then current Operations.

18.4 Rule Against Perpetuities. The Participants do not intend that there shall be any violation of the Rule Against Perpetuities, the Rule Against Unreasonable Restraints on the Alienation of Property, or any similar rule. Accordingly, if any right or option to acquire any interest in the Properties, in a Participating Interest, in the Assets, or in any other real or personal property exists under this Agreement, such right or option must be exercised, if at all, so as to vest such interest within time periods permitted by applicable rules. If, however, any such violation should inadvertently occur, the Participants hereby agree that a court shall reform that provision in such a way as to approximate most closely the intent of the Participants within the limits permissible under such rules.

18.5 Time of Essence. Time shall be of the essence of this Agreement.

18.6 Amendment. No amendment of this Agreement shall be valid unless made in writing and duly executed by both Participants.

18.7 Further Assurances. Each of the Participants shall take, from time to time and without additional consideration, such further actions and execute such additional instruments as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement, or as may be reasonably required by lenders in connection with Project Financing.

18.8 Entire Agreement; Successors and Assigns. This Agreement contains the entire understanding of the Participants and supersedes all prior agreements and understandings between the Participants relating to the subject matter hereof. This Agreement shall be binding

upon and inure to the benefit of the respective successors and permitted assigns of the Participants. In the event of any conflict between this Agreement and any Schedule attached hereto, the terms of this Agreement shall be controlling.

18.9 Memorandum. At the request of either Participant, a Memorandum or short form of this Agreement, or a Financing Statement (to which a copy of the Memorandum or short form of this Agreement shall be attached) shall be prepared by, or as directed by, the Manager, executed and acknowledged by both Participants, and delivered to the Manager for recording and filing in those appropriate recording districts and Uniform Commercial Code filing offices as may be necessary to provide constructive notice of this Agreement and the rights and obligations of the Participants hereunder. The Manager shall record and file in the proper recording districts, county recording offices and Uniform Commercial Code filing offices all such documents delivered to it by the Participants. Unless both Participants agree, this Agreement shall not be recorded.

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18.10 Counterparts and Electronic Delivery. This Agreement may be executed by the Participants in any number of counterparts, and it shall not be necessary that the signatures of both Participants be contained on any counterpart. Executed copies of this Agreement may be delivered by the Participants by email or other form of electronic transmission capable of producing a printed copy. Each counterpart so executed and delivered shall be deemed to be an original, shall constitute one and the same instrument, and, notwithstanding the date of execution, shall be deemed to be executed as of the Effective Date.

IN WITNESS WHEREOF, the Participants have executed this Agreement as of the Effective Date.

INTOR RESOURCES CORP.

By: "Warren Stanyer"
Authorized Signatory

EUREKA MINERALS (USA) INC.

By: "Michael Sweatman"
Authorized Signatory

SCHEDULE A
DESCRIPTION OF THE PROPERTIES

Claim Name	Serial No	MER	TWN	RANGE	SEC	SUBDIV	LOC DATE
GEMINI 1	NMC1119532	21	0060S	0410E	22	NE	12/10/2015
GEMINI 2	NMC1119533	21	0060S	0410E	22	NE	12/10/2015
GEMINI 3	NMC1119534	21	0060S	0410E	22	NE	12/10/2015
GEMINI 4	NMC1119535	21	0060S	0410E	22	NE	12/10/2015
GEMINI 5	NMC1119536	21	0060S	0410E	23	NW	12/11/2015
GEMINI 6	NMC1119537	21	0060S	0410E	23	NW	12/11/2015
GEMINI 7	NMC1119538	21	0060S	0410E	23	NW	12/11/2015
GEMINI 8	NMC1119539	21	0060S	0410E	23	NW	12/11/2015
GEMINI 9	NMC1119540	21	0060S	0410E	12	NW	12/10/2015
GEMINI 10	NMC1119541	21	0060S	0410E	12	NW	12/10/2015
GEMINI 11	NMC1119542	21	0060S	0410E	10	SW	12/10/2015
GEMINI 12	NMC1119543	21	0060S	0410E	10	SW	12/10/2015
GEMINI 13	NMC1119544	21	0060S	0410E	10	SW	12/10/2015
GEMINI 14	NMC1119545	21	0060S	0410E	10	SW	12/10/2015
GEMINI 15	NMC1119546	21	0060S	0410E	15	NW	12/10/2015
GEMINI 16	NMC1119547	21	0060S	0410E	15	NW	12/10/2015
GEMINI 17	NMC1119548	21	0060S	0410E	15	NW	12/10/2015
GEMINI 18	NMC1119549	21	0060S	0410E	15	NW	12/10/2015
GEMINI 19	NMC1119550	21	0060S	0410E	15	SW	12/10/2015
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GEMINI 21	NMC1119552	21	0060S	0412E	10	SW	12/11/2015
GEMINI 22	NMC1119553	21	0060S	0412E	10	SW	12/11/2015
GEMINI 23	NMC1119554	21	0060S	0412E	15	NW	12/11/2015
GEMINI 24	NMC1119555	21	0060S	0412E	15	NW	12/11/2015
GEMINI 25	NMC1119556	21	0060S	0410E	3	SE	12/10/2015
GEMINI 26	NMC1119557	21	0060S	0410E	3	SE	12/10/2015
GEMINI 27	NMC1119558	21	0060S	0410E	3	SE	12/10/2015
GEMINI 28	NMC1119559	21	0060S	0410E	3	SE	12/10/2015
GEMINI 29	NMC1119560	21	0060S	0410E	10	NE	12/10/2015
GEMINI 30	NMC1119561	21	0060S	0410E	10	NE	12/10/2015
GEMINI 31	NMC1119562	21	0060S	0410E	10	NE	12/10/2015
GEMINI 32	NMC1119563	21	0060S	0410E	10	NE	12/10/2015

Claim Name	Serial No	MER	TWN	RANGE	SEC	SUBDIV	LOC DATE
GEMINI 33	NMC1119564	21	0060S	0410E	10	SE	12/10/2015
GEMINI 34	NMC1119565	21	0060S	0410E	10	SE	12/10/2015
GEMINI 35	NMC1119566	21	0060S	0410E	10	SE	12/10/2015
GEMINI 36	NMC1119567	21	0060S	0410E	10	SE	12/10/2015
GEMINI 37	NMC1119568	21	0060S	0410E	15	NE	12/10/2015
GEMINI 38	NMC1119569	21	0060S	0410E	15	NE	12/10/2015
GEMINI 39	NMC1119570	21	0060S	0410E	15	NE	12/10/2015
GEMINI 40	NMC1119571	21	0060S	0410E	15	NE	12/10/2015
GEMINI 41	NMC1119572	21	0060S	0410E	15	SE	12/10/2015
GEMINI 42	NMC1119573	21	0060S	0410E	15	SE	12/10/2015
GEMINI 43	NMC1119574	21	0060S	0410E	15	SE	12/10/2015
GEMINI 44	NMC1119575	21	0060S	0410E	15	SE	12/10/2015
GEMINI 45	NMC1119576	21	0060S	0412E	15	NW	12/11/2015
GEMINI 46	NMC1119577	21	0060S	0412E	15	NW	12/11/2015
GEMINI 47	NMC1119578	21	0060S	0410E	3	SE	12/10/2015
GEMINI 48	NMC1119579	21	0060S	0410E	3	SE	12/10/2015
GEMINI 49	NMC1119580	21	0060S	0410E	3	SE	12/10/2015
GEMINI 50	NMC1119090	21	0060S	0410E	3	SE	11/25/2015
GEMINI 51	NMC1119091	21	0060S	0410E	10	NE	11/25/2015
GEMINI 52	NMC1119092	21	0060S	0410E	10	NE	11/25/2015
GEMINI 53	NMC1119093	21	0060S	0410E	10	NE	11/25/2015
GEMINI 54	NMC1119094	21	0060S	0410E	10	NE	11/25/2015
GEMINI 55	NMC1119095	21	0060S	0410E	10	SE	11/25/2015
GEMINI 56	NMC1119096	21	0060S	0410E	10	SE	11/25/2015
GEMINI 57	NMC1119097	21	0060S	0410E	10	SE	11/25/2015
GEMINI 58	NMC1119098	21	0060S	0410E	10	SE	11/25/2015
GEMINI 59	NMC1119099	21	0060S	0410E	15	NE	11/25/2015
GEMINI 60	NMC1119100	21	0060S	0410E	15	NE	11/25/2015
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GEMINI 62	NMC1119102	21	0060S	0410E	15	NE	11/25/2015
GEMINI 63	NMC1119581	21	0060S	0410E	15	SE	12/10/2015
GEMINI 64	NMC1119582	21	0060S	0410E	15	SE	12/10/2015
GEMINI 65	NMC1119583	21	0060S	0410E	15	SE	12/10/2015
GEMINI 66	NMC1119584	21	0060S	0410E	15	SE	12/10/2015
GEMINI 67	NMC1119585	21	0060S	0412E	10	SW	12/11/2015

Claim Name	Serial No	MER	TWN	RANGE	SEC	SUBDIV	LOC DATE
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GEMINI 70	NMC1119588	21	0060S	0410E	2	SW	12/10/2015
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GEMINI 75	NMC1119106	21	0060S	0410E	11	NW	11/25/2015
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GEMINI 80	NMC1119111	21	0060S	0410E	11	SW	11/25/2015
GEMINI 81	NMC1119112	21	0060S	0410E	14	NW	11/25/2015
GEMINI 82	NMC1119113	21	0060S	0410E	14	NW	11/25/2015
GEMINI 83	NMC1119114	21	0060S	0410E	14	NW	11/25/2015
GEMINI 84	NMC1119115	21	0060S	0410E	14	NW	11/25/2015
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GEMINI 86	NMC1119591	21	0060S	0410E	14	SW	12/11/2015
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GEMINI 88	NMC1119593	21	0060S	0410E	14	SW	12/11/2015
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GEMINI 90	NMC1119595	21	0060S	0412E	15	NW	12/11/2015
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GEMINI 92	NMC1119597	21	0060S	0410E	2	SW	12/10/2015
GEMINI 93	NMC1119598	21	0060S	0410E	2	SW	12/10/2015
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GEMINI 95	NMC1119117	21	0060S	0410E	11	NW	11/25/2015
GEMINI 96	NMC1119118	21	0060S	0410E	11	NW	11/25/2015
GEMINI 97	NMC1119119	21	0060S	0410E	11	NW	11/25/2015
GEMINI 98	NMC1119120	21	0060S	0410E	11	NW	11/25/2015
GEMINI 99	NMC1119121	21	0060S	0410E	11	SW	11/25/2015
GEMINI 100	NMC1119122	21	0060S	0410E	11	SW	11/25/2015
GEMINI 101	NMC1119123	21	0060S	0410E	11	SW	11/25/2015
GEMINI 102	NMC1119124	21	0060S	0410E	11	SW	11/25/2015

Claim Name	Serial No	MER	TWN	RANGE	SEC	SUBDIV	LOC DATE
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GEMINI 104	NMC1119126	21	0060S	0410E	14	NW	11/25/2015
GEMINI 105	NMC1119127	21	0060S	0410E	14	NW	11/25/2015
GEMINI 106	NMC1119128	21	0060S	0410E	14	NW	11/25/2015
GEMINI 107	NMC1119599	21	0060S	0410E	14	SW	12/11/2015
GEMINI 108	NMC1119600	21	0060S	0410E	14	SW	12/11/2015
GEMINI 109	NMC1119601	21	0060S	0410E	14	SW	12/11/2015
GEMINI 110	NMC1119602	21	0060S	0410E	14	SW	12/11/2015
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GEMINI 135	NMC1119614	21	0060S	0410E	2	SE	12/10/2015
GEMINI 136	NMC1119615	21	0060S	0410E	2	SE	12/10/2015
GEMINI 137	NMC1119616	21	0060S	0410E	2	SE	12/10/2015

Claim Name	Serial No	MER	TWN	RANGE	SEC	SUBDIV	LOC DATE
GEMINI 138	NMC1119142	21	0060S	0410E	2	SE	11/24/2015
GEMINI 139	NMC1119143	21	0060S	0410E	11	NE	11/24/2015
GEMINI 140	NMC1119144	21	0060S	0410E	11	NE	11/24/2015
GEMINI 141	NMC1119145	21	0060S	0410E	11	NE	11/24/2015
GEMINI 142	NMC1119146	21	0060S	0410E	11	NE	11/24/2015
GEMINI 143	NMC1119147	21	0060S	0410E	11	SE	11/24/2015
GEMINI 144	NMC1119148	21	0060S	0410E	11	SE	11/24/2015
GEMINI 145	NMC1119149	21	0060S	0410E	11	SE	11/24/2015
GEMINI 146	NMC1119150	21	0060S	0410E	11	SE	11/24/2015
GEMINI 147	NMC1119151	21	0060S	0410E	14	NE	11/24/2015
GEMINI 148	NMC1119152	21	0060S	0410E	14	NE	11/24/2015
GEMINI 149	NMC1119153	21	0060S	0410E	14	NE	11/24/2015
GEMINI 150	NMC1119154	21	0060S	0410E	14	NE	11/24/2015
GEMINI 151	NMC1119617	21	0060S	0412E	15	NE	12/11/2015
GEMINI 152	NMC1119618	21	0060S	0412E	15	NE	12/11/2015
GEMINI 153	NMC1119619	21	0060S	0410E	1	SW	12/10/2015
GEMINI 154	NMC1119620	21	0060S	0410E	1	SW	12/10/2015
GEMINI 155	NMC1119621	21	0060S	0410E	1	SW	12/10/2015
GEMINI 156	NMC1119622	21	0060S	0410E	1	SW	12/10/2015
GEMINI 157	NMC1119623	21	0060S	0410E	12	NW	12/10/2015
GEMINI 158	NMC1119624	21	0060S	0410E	12	NW	12/10/2015
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GEMINI 160	NMC1119626	21	0060S	0410E	12	NW	12/10/2015
GEMINI 161	NMC1119627	21	0060S	0410E	12	SW	12/10/2015
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GEMINI 163	NMC1119629	21	0060S	0410E	12	SW	12/10/2015
GEMINI 164	NMC1119630	21	0060S	0410E	12	SW	12/10/2015
GEMINI 165	NMC1119631	21	0060S	0410E	13	NW	12/10/2015
GEMINI 166	NMC1119632	21	0060S	0410E	13	NW	12/10/2015
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GEMINI 168	NMC1119634	21	0060S	0410E	13	NW	12/10/2015
GEMINI 169	NMC1119635	21	0060S	0410E	12	NW	12/10/2015
GEMINI 170	NMC1119636	21	0060S	0410E	12	NW	12/10/2015
GEMINI 171	NMC1119637	21	0060S	0410E	12	SW	12/10/2015
GEMINI 172	NMC1119638	21	0060S	0410E	12	SW	12/10/2015

Claim Name	Serial No	MER	TWN	RANGE	SEC	SUBDIV	LOC DATE
GEMINI 173	NMC1119639	21	0060S	0410E	12	SW	12/10/2015
GEMINI 174	NMC1119640	21	0060S	0410E	12	SW	12/10/2015
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GEMINI 176	NMC1119642	21	0060S	0410E	13	NW	12/10/2015
GEMINI 177	NMC1119643	21	0060S	0410E	13	NW	12/10/2015
GEMINI 178	NMC1119644	21	0060S	0410E	13	NW	12/10/2015
GEMINI 179	NMC1119645	21	0060S	0410E	12	SE	12/10/2015
GEMINI 180	NMC1119646	21	0060S	0410E	12	SE	12/10/2015
GEMINI 181	NMC1119647	21	0060S	0410E	12	SE	12/10/2015
GEMINI 182	NMC1119648	21	0060S	0410E	12	SE	12/10/2015
GEMINI 183	NMC1119649	21	0060S	0410E	13	NE	12/10/2015
GEMINI 184	NMC1119650	21	0060S	0410E	13	NE	12/10/2015
GEMINI 185	NMC1119651	21	0060S	0410E	13	NE	12/10/2015
GEMINI 186	NMC1119652	21	0060S	0410E	13	NE	12/10/2015
GEMINI 187	NMC1119653	21	0060S	0410E	12	SE	12/10/2015
GEMINI 188	NMC1119654	21	0060S	0410E	12	SE	12/10/2015
GEMINI 189	NMC1119655	21	0060S	0410E	12	SE	12/10/2015
GEMINI 190	NMC1119656	21	0060S	0410E	12	SE	12/10/2015
GEMINI 191	NMC1119657	21	0060S	0410E	13	NE	12/10/2015
GEMINI 192	NMC1119658	21	0060S	0410E	13	NE	12/10/2015
GEMINI 193	NMC1119659	21	0060S	0410E	13	NE	12/10/2015
GEMINI 194	NMC1119660	21	0060S	0410E	13	NE	12/10/2015
GEMINI 195	NMC1119661	21	0060S	0412E	15	NE	12/11/2015
GEMINI 196	NMC1119662	21	0060S	0412E	15	NE	12/11/2015
GEMINI 197	NMC1119663	21	0060S	0412E	10	SE	12/11/2015
GEMINI 198	NMC1119664	21	0060S	0412E	10	SE	12/11/2015
GEMINI 199	NMC1119665	21	0060S	0412E	15	NE	12/11/2015
GEMINI 200	NMC1119666	21	0060S	0412E	15	NE	12/11/2015
GEMINI 201	NMC1119667	21	0060S	0412E	15	NE	12/11/2015
GEMINI 202	NMC1119668	21	0060S	0412E	15	NE	12/11/2015
GEMINI 203	NMC1119669	21	0060S	0412E	14	NW	12/11/2015
GEMINI 204	NMC1119670	21	0060S	0412E	14	NW	12/11/2015
GEMINI 205	NMC1119671	21	0060S	0412E	14	NW	12/11/2015
GEMINI 206	NMC1119672	21	0060S	0412E	14	NW	12/11/2015
GEMINI 207	NMC1119673	21	0060S	0412E	14	NW	12/11/2015

Claim Name	Serial No	MER	TWN	RANGE	SEC	SUBDIV	LOC DATE
GEMINI 208	NMC1119674	21	0060S	0412E	14	NW	12/11/2015
GEMINI 209	NMC1119675	21	0060S	0412E	14	NW	12/11/2015
GEMINI 210	NMC1119676	21	0060S	0412E	14	NW	12/11/2015
GEMINI 211	NMC1119677	21	0060S	0412E	14	NE	12/11/2015
GEMINI 212	NMC1119678	21	0060S	0412E	14	NE	12/11/2015
GEMINI 213	NMC1119679	21	0060S	0412E	14	NE	12/11/2015
GEMINI 214	NMC1119680	21	0060S	0412E	14	NE	12/11/2015
GEMINI 215	NMC1119681	21	0060S	0412E	26	NW	12/11/2015
GEMINI 216	NMC1119682	21	0060S	0412E	26	NW	12/11/2015
GEMINI 217	NMC1119683	21	0060S	0412E	23	SE	12/11/2015
GEMINI 218	NMC1119684	21	0060S	0412E	23	SE	12/11/2015
GEMINI 219	NMC1119685	21	0060S	0412E	26	NE	12/11/2015
GEMINI 220	NMC1119686	21	0060S	0412E	26	NE	12/11/2015
GEMINI 221	NMC1119687	21	0060S	0412E	23	NE	12/11/2015
GEMINI 222	NMC1119688	21	0060S	0412E	23	NE	12/11/2015
GEMINI 223	NMC1119689	21	0060S	0412E	23	SE	12/11/2015
GEMINI 224	NMC1119690	21	0060S	0412E	23	SE	12/11/2015
GEMINI 225	NMC1119691	21	0060S	0412E	23	SE	12/11/2015
GEMINI 226	NMC1119692	21	0060S	0412E	23	SE	12/11/2015
GEMINI 227	NMC1119693	21	0060S	0412E	26	NE	12/11/2015
GEMINI 228	NMC1119694	21	0060S	0412E	26	NE	12/11/2015
GEMINI 229	NMC1119695	21	0060S	0412E	24	NW	12/11/2015
GEMINI 230	NMC1119696	21	0060S	0412E	24	NW	12/11/2015
GEMINI 231	NMC1119697	21	0060S	0412E	24	NW	12/11/2015
GEMINI 232	NMC1119698	21	0060S	0412E	24	NW	12/11/2015
GEMINI 233	NMC1119699	21	0060S	0412E	24	SW	12/11/2015
GEMINI 234	NMC1119700	21	0060S	0412E	24	SW	12/11/2015
GEMINI 235	NMC1119701	21	0060S	0412E	24	SW	12/11/2015
GEMINI 236	NMC1119702	21	0060S	0412E	24	SW	12/11/2015
GEMINI 237	NMC1119703	21	0060S	0412E	25	NW	12/11/2015
GEMINI 238	NMC1119704	21	0060S	0412E	25	NW	12/11/2015
GEMINI 239	NMC1119705	21	0060S	0412E	9	SE	12/11/2015
GEMINI 240	NMC1119706	21	0060S	0412E	9	SE	12/11/2015
GEMINI 241	NMC1119707	21	0060S	0412E	16	NE	12/11/2015
GEMINI 242	NMC1119708	21	0060S	0412E	16	NE	12/11/2015

Claim Name	Serial No	MER	TWN	RANGE	SEC	SUBDIV	LOC DATE
GEMINI 243	NMC1119709	21	0060S	0412E	16	NE	12/11/2015
GEMINI 244	NMC1119710	21	0060S	0412E	16	NE	12/11/2015
GEMINI 245	NMC1119711	21	0060S	0412E	9	SE	12/11/2015
GEMINI 246	NMC1119712	21	0060S	0412E	16	NE	12/11/2015
GEMINI 247	NMC1119713	21	0060S	0412E	16	NE	12/11/2015

SCHEDULE B

ACCOUNTING PROCEDURES

This Schedule B describes the financial and accounting procedures to be followed by the Manager and the Participants under the Joint Venture Agreement between Intor Resources Corp. and Eureka Minerals (USA) Inc. (the “**Agreement**”). Capitalized terms used but not defined herein have the meanings ascribed thereto in the Agreement.

The purpose of these Accounting Procedures is to establish equitable methods for determining charges and credits applicable to Operations. It is the intent of the Participants that neither of them shall lose or profit by reason of the designation of one of them to exercise the duties and responsibilities of the Manager. The Participants shall meet and in good faith endeavor to agree upon changes deemed necessary to correct any unfairness or inequity. For the avoidance of doubt, all Accounting Procedures, including maintenance of accounting records, shall follow generally accepted accounting principles and practices.

ARTICLE I

GENERAL REQUIREMENTS

1.1 General Accounting Records. The Manager shall maintain detailed and comprehensive cost accounting records in accordance with these Accounting Procedures, including general ledgers, supporting and subsidiary journals, invoices, checks and other customary documentation, sufficient to provide a record of revenues and expenditures, and periodic statements of financial position and the results of Operations for managerial, tax, regulatory or other financial, regulatory or legal reporting purposes related to the Business. Such records shall be retained for the duration of the period allowed the Participants for audit or the period necessary to comply with tax or other regulatory requirements. The records shall reflect all obligations, advances and credits of the Participants.

1.2 Bank Accounts. The Manager shall maintain one or more separate bank accounts for the payment of all expenses and the deposit of all cash receipts for the Business.

1.3 Statements and Billings. The Manager shall prepare statements and bill the Participants as provided in Article 10 of the Agreement. Payment of any such billings by a Participant (including the Manager) shall not prejudice such Participant’s right to protest or question the correctness of the billing or related statement for up to 12 months following the calendar year or other accounting period during which such billings were received by the Participant. All written exceptions to, and claims upon, the Manager for incorrect charges, billings or statements shall be made by the applicable Participant to the Manager within such 12 month period. The time period permitted for adjustments hereunder shall not apply to adjustments resulting from periodic inventories as provided in Article V.

ARTICLE II

CHARGES TO BUSINESS ACCOUNT

Subject to the limitations contained herein, the Manager shall charge the Business Account with the following costs, expenditures and other charges:

2.1 Property Acquisition Costs, Rentals, Royalties and Other Payments. All property acquisition and holding costs, including claim maintenance fees, filing fees, license fees, costs of permits and assessment work, delay rentals, production royalties, including any required advances, and all other payments made by the Manager that are necessary to acquire or maintain title to the Assets.

2.2 Labor and Employee Benefits.

- (a) **Salaries and Wages.** Salaries and wages of the Manager's employees directly engaged in Operations, including salaries or wages of employees who are temporarily assigned to and directly employed by same.
- (b) **Benefits.** The Manager's cost of holiday, vacation, sickness and disability benefits, and other customary allowances applicable to the salaries and wages chargeable under Sections 2.2(a) and 2.12. Such costs may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages. If percentage assessment is used, the rate shall be applied to wages or salaries excluding overtime and bonuses. Such rate shall be based on the Manager's cost experience and shall be periodically adjusted at least annually to ensure that the total of such charges does not exceed the actual cost of such charges to the Manager.
- (c) **Benefit Plans.** The Manager's actual cost of established plans for employees' group life insurance, hospitalization, pension, retirement, share purchase, thrift, bonus (except production or incentive bonus plans under a union contract based on actual rates of production, cost savings and other production factors, and similar non-union bonus plans customary in the industry or necessary to attract competent employees, which bonus payments shall be considered salaries and wages under Sections 2.2(a) or 2.12 rather than benefit plans) and other benefit plans of a like nature applicable to salaries and wages chargeable under Sections 2.2(a) or 2.12, provided that the plans are limited to the extent feasible to those customary in the industry.
- (d) **Employment Taxes.** Cost of taxes or other assessments imposed by any Governmental Authority that are applicable to salaries and wages chargeable under Sections 2.2(a) and 2.12, including all penalties except those resulting from the willful misconduct or gross negligence of the Manager.

2.3 Materials, Equipment and Supplies. The cost of materials, equipment and supplies (collectively, the "**Material**") purchased from unaffiliated third parties or furnished by either Participant as provided in Article III. The Manager shall purchase or furnish only so much Material as may be required for immediate use in efficient and economical Operations. The Manager also shall maintain inventory levels of Material at reasonable levels to avoid unnecessary accumulation of surplus stock.

2.4 Equipment and Facilities Furnished by Manager. The cost of machinery, equipment and facilities owned by the Manager and used in Operations or used to provide support or

utility services to Operations charged at rates commensurate with the actual costs of ownership and operation of such machinery, equipment and facilities. Such rates shall include costs of maintenance, repairs, other operating expenses, insurance, taxes, depreciation and interest the average commercial rates currently prevailing in the vicinity of the Operations.

2.5 Transportation. Reasonable transportation costs incurred in connection with the transportation of employees and material necessary for the Operations.

2.6 Contract Services and Utilities. The cost of contract services and utilities procured from outside sources, other than services described in Sections 2.9 and 2.13. If contract services are performed by the Manager or an Affiliate thereof, the cost charged to the Business Account shall not be greater than that for which comparable services and utilities are available in the open market within the vicinity of the Operations. The cost of professional consultant services procured from outside sources in excess of \$25,000 shall not be charged to the Business Account unless approved by the Management Committee.

2.7 Insurance Premiums. Net premiums paid for insurance required to be carried for Operations for the protection of the Participants. When the Operations are conducted in an area where the Manager may self-insure for workmen's compensation and/or employer's liability under applicable state Laws, the Manager may elect to include such risks in its self-insurance program and shall charge its costs of self-insuring such risks to the Business Account, provided that such charges shall not exceed published manual rates.

2.8 Damages and Losses. All costs in excess of insurance proceeds necessary to repair or replace damages or losses to any Assets resulting from any cause other than the willful misconduct or gross negligence of the Manager. The Manager shall furnish the Management Committee with written notice of damages or losses as soon as practicable after a report of such damages or losses has been received by the Manager.

2.9 Legal and Regulatory Expense. Except as otherwise provided in Section 2.13, all legal and regulatory costs and expenses incurred in or resulting from the Operations or necessary to protect or recover the Assets, including costs of title investigation and title curative services. All attorneys' fees and other legal costs to handle, investigate and settle litigation or claims, and amounts paid in settlement of such litigation or claims in excess of \$50,000 shall not be charged to the Business Account unless approved by the Management Committee.

2.10 Audit. The cost of audits under Section 10.6(a) of the Agreement if requested by a Participant.

2.11 Taxes. All taxes, assessments and like charges of every kind and nature assessed or levied upon or in connection with the Assets, the production of Products or Operations that have been paid by the Manager for the benefit of the Participants. Each Participant is separately responsible for taxes determined or measured by a Participant's sales revenue or net income.

2.12 District and Camp Expense (Field Supervision and Camp Expenses). A pro rata portion of: (a) the salaries and expenses of the Manager's superintendent and other employees serving Operations whose time is not allocated directly to such Operations, (b) the costs of

maintaining and operating an office (the “**Manager’s Office**”) and any necessary sub-office, and (c) all necessary camps, including housing facilities for employees, used for Operations. The expense of those facilities, less any revenue therefrom, shall include depreciation or a fair monthly rental in lieu of depreciation of the investment. The total of such charges for all properties served by the Manager’s employees and facilities shall be apportioned to the Business Account on the basis of a ratio to be approved by the Management Committee.

2.13 Administrative Charge.

- (a) **Amount of Charge.** Each **Quarter**, the Manager shall charge the Business Account a sum for each Phase of Operations (each, an “**Administrative Charge**”) equal to the following:
 - (i) Exploration Phase. 10% of Allowable Costs;
 - (ii) Development Phase. 10% of Allowable Costs up to \$1,000,000 and 5% of Allowable Costs over \$1,000,000;
 - (iii) Major Construction Phase. 5% of Allowable Costs up to \$5,000,000 and 2% of Allowable Costs over \$5,000,000; and
 - (iv) Mining Phase. 5% of Allowable Costs up to \$1,500,000 and 2% of Allowable Costs over \$1,500,000.
- (b) **Defined Terms.** As used in this Schedule B, the following terms have the following meanings:
 - (i) “**Allowable Costs**” means, for a particular Phase of Operations, all charges to the Business Account, excluding (i) the Administrative Charge, (ii) depreciation, depletion or amortization of tangible or intangible assets, and (iii) amounts charged under Sections 2.1 and 2.9;
 - (ii) “**Phase**” means the Exploration Phase, the Development Phase, the Major Construction Phase or the Mining Phase, as applicable. Phases may be conducted concurrently, in which case Allowable Costs shall be reasonably allocated by the Manager to each such Phase and the Administrative Charge shall be calculated separately for Allowable Costs attributable to each Phase;
 - (iii) “**Exploration Phase**” means all Operations conducted to ascertain the existence, location, extent or quantity of any deposit of ore or mineral. The Exploration Phase shall cease when a commercially recoverable reserve is determined to exist;
 - (iv) “**Development Phase**” means all Operations conducted to assess a commercially feasible ore body or to extend production of an existing ore body, and to construct or install related fixed assets;

- (v) **“Major Construction Phase”** means all Operations conducted to construct a mill, smelter or other ore processing facility; and
- (vi) **“Mining Phase”** means all Operations other than the Exploration Phase, the Development Phase or the Major Construction Phase, including Operations conducted after Mining has ceased.
- (c) **Allocation among Properties.** The Administrative Charge determined for each Phase shall be reasonably allocated among the Properties and all other properties served by the Manager during each fiscal quarter on the basis of a ratio, the numerator of which shall equal the direct labor costs charged to a particular property, and the denominator of which shall equal the total direct labor costs incurred for the Properties and all other properties served by the Manager.
- (d) **Amounts Covered By Administrative Charge.** The Administrative Charge shall be a liquidated amount (in lieu of a separate management fee) to reimburse the Manager for its home office overhead and general and administrative expenses to conduct each Phase of Operations, including the following principal business office expenses that are expressly covered by the Administrative Charge:
 - (i) administrative supervision, including services rendered by managers, department supervisors, officers and directors of the Manager for Operations, except to the extent that such services represent a direct charge to the Business Account, as provided in Section 2.2;
 - (ii) accounting, data processing, personnel administration, billing and record keeping in accordance with governmental regulations and the provisions of the Agreement, and preparation of reports;
 - (iii) routine legal services rendered by outside sources and the Manager’s legal staff not otherwise charged to the Business Account under Section 2.9; and
 - (iv) rentals and other charges for office and records storage space, telephone service, office equipment and supplies.
- (e) **Annual Review.** The Management Committee shall annually review the Administrative Charge and shall amend the methodology or rates used to determine the Administrative Charge if they are found to be insufficient or excessive.

2.14 Environmental Compliance Fund. Costs of reasonably anticipated Environmental Compliance which, on a Program basis, shall be determined by the Management Committee and shall be based on proportionate contributions in an amount sufficient to establish the Environmental Compliance Fund, which, through successive proportionate contributions during the life of the Business, will pay for ongoing Environmental Compliance conducted

during Operations and that will aggregate the reasonably anticipated costs of mine closure, post-Operations Environmental Compliance and Continuing Obligations.

2.15 Other Expenditures. Any reasonable direct expenditure, other than expenditures that are covered by the foregoing provisions, incurred by the Manager for the necessary and proper conduct of Operations.

ARTICLE III BASIS OF CHARGES TO BUSINESS ACCOUNT

3.1 Purchases. Material (as defined in Section 2.3) purchased and services procured from third parties shall be charged to the Business Account by the Manager at invoiced cost, including applicable transfer taxes, less all discounts taken. If any Material is determined to be defective or is returned to a vendor for any other reason, the Manager shall credit the Business Account when an adjustment is received from the vendor.

3.2 Material Furnished by a Participant. Any Material furnished by either Participant for use in the Business or distributed to either Participant by the Manager shall be priced on the following basis:

- (a) **New Material:** New Material transferred from the Manager or Participant shall be priced F.O.B. the nearest reputable supply store or railway receiving point, where similar Material is available, at the current replacement cost of the same kind of Material, exclusive of any available cash discounts, at the time of the transfer (the “New Price”).
- (b) **Used Material.**
 - (i) Used Material in sound and serviceable condition and suitable for reuse without reconditioning shall be priced as follows:
 - A. used Material furnished by either Participant shall be priced at 75% of the New Price for such Material;
 - B. used Material distributed to either Participant shall be priced (1) at 75% of the New Price for such Material, if such Material was originally charged to the Business Account as new Material, or (2) at 65% of the New Price for such Material if such Material was originally charged to the Business Account as good used Material at 75% of the New Price;
 - (ii) Other used Material that, after reconditioning will be further serviceable for original function as good secondhand Material, or that is serviceable for original function but not substantially suitable for reconditioning, shall be priced at 50% of the New Price for such Material. The cost of any reconditioning shall be borne by the transferee.

- (iii) All other Material, including junk, shall be priced at a value commensurate with its use or at prevailing prices. Material no longer suitable for its original purpose but usable for some other purpose shall be priced on a basis comparable with items normally used for such other purposes.
- (c) **Obsolete Material.** Any Material that is serviceable and usable for its original function, but its condition is not sufficient to justify a price as provided above, shall be priced by the Management Committee. Such price shall be set at a level that will result in a charge to the Business Account equal to the value of the service to be rendered by such Material.

3.3 Premium Prices. Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual circumstances over which the Manager has no control, the Manager may charge the Business Account for the required Material on the basis of the Manager's direct cost and expenses incurred in procuring such Material and making it suitable for use. The Manager shall give written notice of the proposed charge to the Participants before the time when such charge is to be billed, whereupon either Participant shall have the right, by providing written notice to the Manager within 10 days after the delivery of the notice from the Manager, to furnish at the usual receiving point all or part of its proportionate share, based on its Participating Interest, of Material suitable for use and acceptable to the Manager.

3.4 Warranty of Material Furnished by the Manager or Participants. Neither Participant warrants the Material furnished beyond any dealer's or manufacturer's warranty and no credits shall be made to the Business Account for defective Material until adjustments are received by the Manager from the dealer, manufacturer or their respective agents.

ARTICLE IV DISPOSAL OF MATERIAL

4.1 Disposition Generally. The Manager shall have no obligation to purchase either Participant's interest in Material. The Management Committee shall determine the disposition of major items of surplus Material, provided that the Manager shall have the right to dispose of normal accumulations of junk and scrap Material either by sale or by distributing such Material to the Participants as provided in Section 4.2.

4.2 Distribution to Participants. Any Material to be distributed to the Participants shall be made in proportion to their respective Participating Interests, and corresponding credits shall be made to the Business Account on the basis provided in Section 3.2.

4.3 Sales. Sales of Material to third parties shall be credited to the Business Account at the net amount received. Any damages or claims by the purchaser shall be charged back to the Business Account if and when paid.

ARTICLE V INVENTORIES

5.1 Periodic Inventories, Notice and Representations. At reasonable intervals, physical inventories shall be taken by the Manager, which shall include all such Material as is ordinarily considered controllable by operators of mining properties. The expense of conducting such periodic physical inventories shall be charged to the Business Account. The Manager shall give Notice to the Participants of its intent to take any physical inventory at least 30 days before such physical inventory is scheduled to occur. A Participant shall be deemed to have accepted the results of any physical inventory taken by the Manager if the Participant fails to be represented at the taking of such physical inventory.

5.2 Reconciliation and Adjustment of Inventories. Reconciliation of inventory with charges to the Business Account shall be made, and a list of overages and shortages shall be furnished, to the Management Committee within 6 months after the inventory is taken. Inventory adjustments shall be made by the Manager to the Business Account for overages and shortages.

SCHEDULE C

TAX MATTERS

This Schedule C shall govern the relationship of the Participants with respect to tax matters and the other matters addressed in this Schedule C, which forms part of the Joint Venture Agreement between Intor Resources Corp. and Eureka Minerals (USA) Inc. (the “**Agreement**”). Capitalized terms used but not defined herein have the meanings ascribed thereto in the Agreement.

ARTICLE I

TAX MATTERS PARTNER

1.1 Designation of Tax Matters Partner. The Manager is hereby designated the initial tax matters partner (the “**TMP**”) as defined in Section 6231(a)(7) of the Internal Revenue Code (the “**Code**”). Any successor TMP shall be designated by the Management Committee. The TMP shall be responsible for, make elections for, and prepare and file any federal and state tax returns or other required tax forms after approval of the Management Committee. In the event of any change in Manager, the Participant serving as the Manager at the end of a taxable year shall continue as TMP with respect to all matters concerning that year unless the TMP for that year is required to be changed under applicable Treasury Regulations. The TMP and the other Participant shall use reasonable best efforts to comply with their responsibilities under this Article I and under Sections 6221 through 6233 of the Code and the related Treasury Regulations, and in doing so shall incur no liability to any other Participant.

1.2 Information. Each Participant shall furnish the TMP with such information (including information specified in Section 6230(e) of the Code) as is reasonably requested by the TMP to permit it to provide the Internal Revenue Service with sufficient information to allow proper notice to the Participants under Section 6223 of the Code. The TMP shall keep each Member reasonably informed of all administrative and judicial proceedings for the adjustment at the partnership level of partnership items under Section 6223(g) of the Code.

1.3 Inconsistent Treatment of Tax Item. If an administrative proceeding under Section 6223 of the Code begins, then, upon the request of the TMP, each Participant shall promptly notify the TMP of the treatment by such Participant of any partnership item on such Participant’s federal income tax return that is inconsistent with the treatment of such item on the partnership return.

1.4 Extensions of Limitation Periods. The TMP shall not extend the period of limitations under Section 6229 of the Code without the prior approval of the Management Committee.

1.5 Requests for Administrative Adjustments. Neither Participant shall file a request for an administrative adjustment of partnership items under Section 6227 of the Code for any partnership taxable year without first providing written notice to the other Participant. If the other Participant consents to the filing within 30 days after the notice (or such shorter period as may be required to timely file the request), the TMP shall file the request on behalf of the partnership. If the other Participant does not consent to the filing within the 30 day or shorter

period, then either Participant, including the TMP, may file the request for administrative adjustment on its own behalf.

1.6 Judicial Proceedings. If either Participant intends to file a petition under Section 6226, Section 6228 or any other section of the Code with respect to any partnership item, or other tax matter involving the tax partnership (as defined in Section 2.1), the Participant shall provide written notice to the other Participant of its intention and the nature of the contemplated proceeding. If the TMP is the Participant intending to file such petition, the notice shall be given within a reasonable time to allow the other Participant to agree on the forum where the petition will be filed. If a deadlock results, the TMP shall choose the forum. If either Participant intends to seek review of any court decision rendered under a proceeding initiated under this Section 1.6, such Participant shall provide written notice to the other Participant of its intended action.

1.7 Settlements. The TMP shall not bind the other Participant to a settlement agreement without first obtaining the written consent of such other Participant, such consent not to be unreasonably withheld. Either Participant that enters into a settlement agreement for its own account with respect to any partnership item, as defined under Section 6231(a)(3) of the Code, shall notify the other Participant of the terms of the settlement agreement within 90 days after the date of the settlement.

1.8 Fees and Expenses. The TMP shall not engage legal counsel, certified public accountants or other advisors on behalf of the partnership without the prior approval of the Management Committee, such consent not to be unreasonably withheld. Either Participant may engage legal counsel, certified public accountants or other advisors on its own behalf at its sole cost and expense. Any reasonable item of expense, including fees and expenses for legal counsel, certified public accountants and other advisors incurred by the TMP (after approval of the Management Committee as provided herein) in connection with any audit, assessment, litigation or other proceeding relating to any partnership item, shall constitute a proper charge to the Business Account and shall be borne by the Participants as any other item which constitutes a direct charge to the Business Account pursuant to the Agreement.

1.9 Survival. The provisions of this Article I shall survive the termination of the tax partnership or the termination of either Participant's interest in the tax partnership, and shall remain binding on the Participants for the period of time necessary to resolve with the Internal Revenue Service or the Department of the Treasury any and all matters regarding the federal income taxation of the tax partnership for the applicable tax year(s).

ARTICLE II PARTNERSHIP TAX STATUS; TAX ELECTIONS

2.1 Partnership Tax Status. It is understood and agreed that the Participants intend to create a partnership for United States federal and state income tax purposes, and, unless otherwise agreed by both Participants, neither Participant shall make an election to be, or have the arrangement evidenced hereby, excluded from the application of any provisions of Subchapter K of the Code, or any similar state income tax Law; provided that it is understood and agreed that the Participants intend to create a partnership for federal and state income tax purposes only (a "**tax partnership**"). The Manager shall file with the appropriate office of the

Internal Revenue Service a partnership income tax return covering the Operations and file with the appropriate offices of state agencies any required partnership state income tax or informational returns. Each Participant shall furnish to the Manager any information it may have relating to the Operations as shall be required for the proper preparation of such returns. The Manager shall furnish to the other Participant for its review and comment a copy of each proposed income tax return (including all schedules and supporting work papers) at least two weeks before the date the return is filed. The Manager shall promptly provide to the other Participant all information reasonably requested by such Participant to calculate estimated tax payments and prepare tax return extensions.

2.2 Tax Elections.

- (a) **Required Elections.** The tax partnership shall make the following elections for all partnership income tax returns:
 - (i) to use the accrual method of accounting;
 - (ii) to use as its taxable year the 12 months ending September 30. In this connection, Intor represents that its taxable year end is September 30 and Eureka represents that its taxable year end is October 31;
 - (iii) to deduct currently all development expenses to the extent possible under Section 616(a) of the Code or, at the election of the Management Committee, to defer such expenses under Section 616(b) of the Code;
 - (iv) unless the Participants unanimously agree otherwise, to compute the allowance for depreciation for all depreciable Assets using the 150% declining balance method and the shortest life permissible or, at the election of the Manager, using the units of production method of depreciation;
 - (v) to treat advance royalties as deductions from gross income for the year paid or accrued to the extent permitted by applicable Laws;
 - (vi) to make an election to adjust the basis of tax partnership property under Section 754 of the Code at the request of either Participant; and
 - (vii) to amortize over the shortest permissible period all organizational expenditures and business start-up expenses under Sections 195 and 709 of the Code.
- (b) **Other Elections.** Except as provided in Section 2.2(a), any election required or permitted to be made by the tax partnership under the Code or any state tax law shall be made as determined by the Management Committee.
- (c) **Participant Elections.** Each Participant shall elect under Section 617(a) of the Code to deduct currently all exploration expenses. Each Participant reserves the right to capitalize its share of development and/or exploration expenses of the

tax partnership in accordance with Section 59(e) of the Code, provided that a Participant's election to capitalize all or any portion of such expenses shall not affect the Participant's Capital Account.

ARTICLE III ALLOCATIONS OF PROFITS AND LOSSES

3.1 General. This Article III provides for the allocation among the Participants of gains and losses for purposes of crediting and debiting the Capital Accounts of the Participants. Article IV provides for the allocation among the Participants of taxable income and tax losses.

3.2 Allocations to Participants. Except as provided in Section 3.3, all gains and losses shall be allocated among the Participants as follows:

- (a) **Exploration and Development Costs.** Exploration expenses and development cost deductions shall be allocated among the Participants in accordance with their respective contributions to such expenses and costs;
- (b) **Depreciation and Amortization.** Depreciation and amortization deductions with respect to a depreciable Asset shall be allocated among the Participants in accordance with their respective contributions to the adjusted basis of the Asset that gives rise to the depreciation, amortization or loss deduction;
- (c) **Production and Operating Costs.** Production and operating cost deductions shall be allocated among the Participants in accordance with their respective contributions to such costs;
- (d) **Depletion.** Depletion deductions (to the extent of the amount of such deductions that would have been determined for Capital Account purposes if only cost depletion were allowable for federal income tax purposes) with respect to a depletable property shall be allocated among the Participants in accordance with their respective contributions to the adjusted basis of the depletable property as determined for purposes of maintaining the Capital Accounts. Any remaining depletion deductions shall be allocated to the Participants so that, to the extent possible, the Participants receive the same total amounts of percentage depletion as they would have received if percentage depletion were allocated to the Participants in proportion to their respective shares of the gross income used as the basis for calculating the federal income tax deduction for percentage depletion;
- (e) **Gross Income.** Gross income on the sale of Product shall be allocated in accordance with the Participants' rights to share in the proceeds of such sale;
- (f) **Sales of Depreciable or Depletable Assets.** Except as provided in Section 3.2(g), gains and losses on the sale of a depreciable or depletable asset shall be allocated so that, to the extent possible, the net amount reflected in the Participants' Capital Account with respect to such property (taking into account the cost of

such property, depreciation, amortization, depletion or other cost recovery deductions and other items of Profit or Loss) most closely reflects the Participants' Participating Interests;

- (g) **Sales of All or Substantially All Assets.** Gains and losses on the sale of all or substantially all the Assets shall be allocated so that, to the extent possible, the Participants' resulting Capital Account balances are in the same ratio as their relative Participating Interests at the time of sale;
- (h) **Capitalization.** Expenses and deductions allocable under the preceding provisions of this Section 3.2 may be required to be capitalized into production under Section 263A of the Code, in which case, with respect to such capitalized expenses or deductions, the allocation of gross income on the sale of production shall be adjusted, in any reasonable manner consistently applied by the Manager, so that the same net amount (subject to possible timing differences) is reflected in the Capital Accounts as if such expenses or deductions were instead deductible and allocated under the preceding provisions of this Section 3.2;
- (i) **Recapture of Exploration Expenses.** Any recapture of exploration expenses under Section 617(b)(1)(A) of the Code, and any disallowance of depletion under Section 617(b)(1)(B) of the Code, shall be borne by the Participants in the same manner as the related exploration expenses were allocated to, or claimed by, them;
- (j) **Other Losses.** All deductions and losses that are not otherwise allocated in this Section 3.2 shall be allocated among the Participants in accordance with their respective contributions to the costs producing each such deduction or to the adjusted basis of the Asset producing each such loss; and
- (k) **Other Profit.** All items of income and gain that are not otherwise allocated in this Section 3.2 shall be allocated to the Participants in proportion to their respective Participating Interests.

3.3 Regulatory Allocations. Notwithstanding Sections 3.2 and 3.5:

- (a) **Elimination of Deficit Adjusted Capital Account Balance.** If either Participant unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) or 1.704-1(b)(2)(ii)(d)(6) that result in a deficit Capital Account balance, items of income and gain shall be specially allocated to each such Participant in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Capital Account deficit of such Participant as quickly as possible. For the purposes of this Section 3.3(a), each Participant's Capital Account balance shall be increased by the sum of (i) the amount such Participant is obligated to restore under any provision of the Agreement, and (ii) the amount such Participant is deemed to be obligated to restore under the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5);

- (b) **Decrease in Partnership Minimum Gain.** If there is a net decrease in partnership minimum gain for a taxable year of the tax partnership, each Participant shall be allocated items of income and gain for that year equal to that Participant's share of the net decrease in partnership minimum gain, all in accordance with Treasury Regulations Section 1.704-2(f). If, during a taxable year of the tax partnership, there is a net decrease in partner nonrecourse debt minimum gain, any Participant with a share of that partner nonrecourse debt minimum gain as of the beginning of the year shall be allocated items of income and gain for the year (and, if necessary, for succeeding years) equal to that Participant's share of the net decrease in partner nonrecourse debt minimum gain, all in accordance with Treasury Regulations Section 1.704-2(i)(4). Under Treasury Regulations Section 1.704-2(i)(1), deductions attributable to a "**partner nonrecourse liability**" shall be allocated to the Participant that bears the economic risk of loss for such liability (or is treated as bearing such risk);
- (c) **Allocations Causing Deficit Adjusted Capital Account Balance.** If the allocation of deductions to either Participant would cause such Participant to have a deficit Capital Account balance at the end of any taxable year of the tax partnership (after all other allocations provided for in this Article IV have been made and after giving effect to the adjustments described in the last sentence of Section 4.3(a)), such deductions shall instead be allocated to the other Participant;
- (d) **Partner Nonrecourse Deductions.** Items of tax partnership loss, deduction and expenditures described in Section 705(a)(2)(B) of the Code that are attributable to any nonrecourse debt of the tax partnership and are characterized as partner nonrecourse deductions under Treasury Regulations Section 1.704-2(i) shall be allocated to the Participants' Capital Accounts in accordance with Treasury Regulations Section 1.704-2(i); and
- (e) **Basis Adjustments.** To the extent that an adjustment to the adjusted tax basis of any Asset under Section 734(b) or 743(b) of the Code is required under Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as the result of a distribution to a Participant in complete liquidation of its Participating Interest, the amount of the adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Participants in accordance with their Participating Interests if Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Participant to whom such distribution was made if Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

3.4 Curative Allocations. The allocations in Section 3.3 (the "**Regulatory Allocations**") are intended to comply with certain requirements of the Treasury Regulations. The Participants intend that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of income, gain, loss or deduction under this Section 3.4. Accordingly, notwithstanding any other provisions of this Article III (other than the Regulatory Allocations), the Manager shall, in a manner approved by

the Management Committee, make such offsetting special allocations of income, gain, loss or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Participant's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Participant would have had if the Regulatory Allocations were not part of this Agreement and all items were allocated under Section 3.2 without regard to Section 3.3.

3.5 Other Allocation Rules.

- (a) **Determination of Gains and Losses.** Items of taxable income, deduction, gain and loss allocable to any period shall be determined on a daily, monthly, or other basis, as determined by the Manager using any permissible method under Code Section 706 and the related Treasury Regulations.
- (b) **Changes in Participating Interests.** If the Participants' Participating Interests change during any taxable year of the tax partnership, the distributive share of items of taxable income, deduction, gain and loss of each Participant shall be determined in any manner (i) permitted by Section 706 of the Code, and (ii) agreed by the Management Committee. If the Management Committee cannot agree on a method, gains and losses shall be allocated in accordance with the interim closing-of-the-books method.
- (c) **Certain Allocations.** For purposes of this Article III, items financed through indebtedness of, or from revenues of, the tax partnership shall be treated as funded from contributions made by the Participants to the tax partnership in accordance with their Participating Interests. "**Nonrecourse deductions**", as defined by Treasury Regulations Section 1.704-2(b)(1) shall be allocated among the Participants in proportion to their respective Participating Interests.

ARTICLE IV TAX ALLOCATIONS

4.1 Tax Allocations. Except as provided in Sections 4.2, 4.3 and 4.4, items of taxable income, deduction, gain and loss shall be allocated in accordance with the principles of Section 3.2.

4.2 Recapture of Tax Deductions. Recapture of tax deductions arising out of a disposition of property shall, to the extent consistent with the allocations for tax purposes of the gain or amount realized giving rise to such recapture, be allocated to the Participants in the same proportions as the recaptured deductions were originally allocated or claimed.

4.3 Allocation of Section 704(c) Items. To the extent required by Section 704(c) of the Code, income, gain, loss, and deduction (including depreciation, depletion and amortization), as determined for tax purposes, with respect to property contributed to the tax partnership by a Participant and with respect to property revalued in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f) (collectively referred to as "**Adjusted Properties**") shall be allocated among the Participants so as to take account of the variation between the adjusted tax basis of the Adjusted Property to the tax partnership and its fair market value at the time of contribution

or revaluation in accordance with the provisions of Sections 704(b) and 704(c) of the Code. The Participants intend that Section 704(c) shall effect no allocations of tax items that are different from allocations according to the principles of Section 3.2; provided that the gain or loss on the sale of property contributed to the tax partnership shall be allocated to the contributing Participant to the extent of built-in gain or loss, respectively, as determined under Treasury Regulation Section 1.704-3(a). The Participants intend that the allocations provided by the preceding sentence constitute a “reasonable method” that is consistent with the purposes of Section 704(c) of the Code, within the meaning of Treasury Regulations Section 1.704-3(a)(1). However, to the extent that allocations of tax items are required under Section 704(c) of the Code to be made other than in accordance with the allocations under Sections 3.2, 3.3 and 3.4 of the corresponding items for Capital Account purposes, Section 704(c) shall be applied in accordance with the available allocation method that the Management Committee reasonably determines most closely approximates the allocations under this Schedule C.

4.4 Depletion Deductions. Excess percentage depletion deductions with respect to depletable property shall be allocated to the Participants in accordance with the allocation of gross income from the property from which such deductions are derived. The term “**excess percentage depletion**” shall mean the excess, if any, of deductions for percentage depletion as determined for tax purposes over the adjusted basis of the depletable property. Depletion deductions with respect to contributed property shall be determined without regard to any portion of the property’s basis that is attributable to pre-contribution expenditures by Intor that were capitalized under Code Sections 616(b), 59(e) and 291(b). Deductions attributable to pre-contribution expenditures by Intor shall be calculated under such Code sections as if Intor continued to own the depletable property to which such deductions are attributable, and such deductions shall be reported by the tax partnership and shall be allocated solely to Intor.

4.5 Integration with Section 754 Election. All items of income, gain, loss, deduction and credits recognized by the tax partnership for federal income tax purposes and allocated to the Participants in accordance with the provisions hereof and all basis allocations to the Participants shall be determined without regard to any election under Section 754 of the Code that may be made by the tax partnership; provided, however, such allocations, once made, shall be adjusted as necessary or appropriate to take into account the adjustments permitted by Sections 734 and 743 of the Code.

4.6 Allocation of Tax Credits. The tax credits, if any, with respect to the tax partnership’s property or operations shall be allocated among the Participants in accordance with Treasury Regulations Section 1.704-1(b)(4)(ii).

ARTICLE V CAPITAL ACCOUNTS

5.1 Capital Accounts. The Manager shall maintain a separate capital account for each Participant and such other Participant accounts as may be necessary or desirable to comply with the requirements of applicable Laws (in any case, “**Capital Accounts**”), subject to the following provisions:

- (a) **Maintenance of Capital Accounts.** Each Participant's Capital Account shall be maintained in accordance with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv);
- (b) **Book-Tax Difference.** If the Capital Accounts of the Participants are computed with reference to the book value of any Asset that is different than the adjusted tax basis of the Asset, then the Capital Accounts of the Participants shall be adjusted for depreciation, depletion, amortization and gain or loss as computed for book purposes with respect to the Asset under Treasury Regulations Section 1.704-1(b)(2)(iv)(g). The amount of book depreciation, depletion, or amortization for a period with respect to an item of property of the tax partnership shall be the amount that bears the same relationship to the book value of such property (as determined for purposes of maintaining Capital Accounts) as the depreciation (or cost recovery deduction), depletion, or amortization computed for tax purposes with respect to such property for such period bears to the adjusted tax basis of such property; provided that, if such property has a zero adjusted tax basis, the book depreciation, depletion, or amortization may be determined under any reasonable method selected by the Management Committee; and provided further that the amount of book depletion with respect to a depletable property shall not exceed the book value of such property (as determined for purposes of maintaining the Capital Accounts);
- (c) **Transfer of Interest.** If any interest in the tax partnership is Transferred in accordance with the terms of the Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred interest, except as provided in Treasury Regulations Section 1.704-1(b)(2)(iv)(1), and except that if a Transfer causes a termination of the tax partnership under Section 708(b)(1)(B) of the Code, Treasury Regulations Section 1.708-1(b) shall apply.
- (d) **Distributions of Property.** If any property, other than money, is distributed to a Participant, the Capital Accounts of the Participants shall be adjusted to reflect the manner in which the unrealized gains and losses inherent in the distributed property (that has not been reflected previously in the Capital Accounts) would be allocated among the Participants if there was a taxable disposition of the distributed property for the fair market value of the property on the date of the distribution taking into account Section 7701(g) of the Code. For this purpose, the fair market value of the distributed property shall be determined under Section 5.3.
- (e) **Depletable Properties.** As of the Effective Date, Intor is making a Capital Contribution to the tax partnership of depletable properties with respect to which Intor has an adjusted tax basis that may consist in part of depletable expenditures and in part of expenditures capitalized under Code Sections 616(b), 291(b) and 59(e). For purposes of maintaining Capital Accounts, the tax partnership's deductions with respect to contributed property in each year for depletion, deferred development expenditures under Section 616(b) of the Code

attributable to pre-contribution expenditures, amortization under Section 291(b) of the Code attributable to pre-contribution expenditures, and amortization under Section 59(e) of the Code attributable to pre-contribution expenditures shall be: (i) the amount of the corresponding item determined for tax purposes under Section 4.4; multiplied by (ii) the ratio of (A) the book value at which the contributed property is recorded in the Capital Accounts, to (B) the adjusted tax basis of the contributed property (including basis resulting from capitalization of pre-contribution development expenditures under Code Sections 616(b), 291(b), and 59(e));

- (f) **Restatement of Capital Accounts.** If the Participants unanimously agree, upon the occurrence of an event described in Treasury Regulations Section 1.704-1(b)(2)(iv)(f)(5), the Capital Accounts of the Participants shall be restated under Treasury Regulations Section 1.704-1(b)(2)(iv)(f) to reflect the manner in which unrealized gains and losses inherent in the Assets (that previously have not been reflected in the Capital Accounts) would be allocated among the Participants if the Assets were sold in a taxable disposition for their fair market values as determined under Section 5.3. For purposes of Section 3.2, a Participant shall be treated as contributing the portion of the book value of any property that is credited to the Participant's Capital Account under the preceding sentence. After a revaluation under this Section 5.1(f), each Participant's share of depreciation, depletion, amortization and gain or loss, as computed for tax purposes, with respect to property that has been revalued under this Section 5.1(f) shall be determined in accordance with the principles of Code Section 704(c) as applied under Section 4.3.

5.2 Liquidation. In the event that the tax partnership is "liquidated" within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(g), the liquidator shall cause the Capital Accounts of the Participants to be restated in accordance with Section 5.1(f) to reflect any gain or loss that would be realized by the tax partnership and allocated to the Participants under Article III if the Assets were sold at the time of liquidation for their fair market values as determined under Section 5.3.

5.3 Fair Market Values. For purposes of Sections 5.1(d), 5.1(f) and 5.2, the fair market values of any Assets as of the time of determination shall be determined by the Management Committee.

5.4 Modifications. This Article V and the other provisions of this Schedule C relating to the maintenance of Capital Accounts and allocations of gains and losses are intended to comply with Treasury Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with those Treasury Regulations. If the Management Committee determines that it is prudent to modify the manner in which Capital Accounts, or any debits or credits to Capital Accounts, are computed in order to comply with those Treasury Regulations, then the Management Committee may make the prudent modifications if the modifications are not likely to have a material effect on the amount distributable to any Participants upon liquidation of the tax partnership.

5.5 Deemed Termination. Notwithstanding Section 5.2, if a deemed liquidation of the tax partnership results from a deemed termination under Section 708(b)(1)(B) of the Code, then (i) Section 5.2 of this Schedule C and any applicable provision in the Agreement shall not apply, and (ii) for income tax purposes only (A) the tax partnership shall be deemed to have contributed its Assets to a new partnership in exchange for an interest in the new partnership, and then deemed to have immediately distributed its interest in the new partnership to the purchaser in the transaction causing the deemed liquidation and the non-transferring Participants in proportion to their respective Participating Interests and in liquidation of the tax partnership, and (B) the new partnership shall continue under the terms of this Agreement, including this Schedule C.

SCHEDULE D

NET PROCEEDS

This Schedule D shall govern the calculation of Net Proceeds, and the terms for the payment of Net Proceeds under the Joint Venture Agreement between Intor Resources Corp. and Eureka Minerals (USA) Inc. (the “**Agreement**”). Capitalized terms used but not defined herein have the meanings ascribed thereto in the Agreement.

ARTICLE I

CALCULATION OF NET PROCEEDS

1.1 Income and Expenses. Net Proceeds shall be calculated by deducting from the sum of the Gross Revenue (as defined below) realized (or deemed realized under Section 1.3(c) below) costs and expenses attributable to Exploration, Development, Mining, the marketing of Products and other Operations as would be deductible under generally accepted accounting principles and practices (“**GAAP**”) applied in a manner consistent with the application of GAAP by the Manager with respect to its other assets and properties, including (without duplication) the following:

- (a) all costs and expenses of replacing, expanding, modifying, altering or changing from time to time the Mining facilities. Costs and expenses of improvements (such as haulage ways or mill facilities) that are also used in connection with workings other than the Properties shall be charged to the Properties only in the proportion that their use in connection with the Properties bears to their total use;
- (b) ad valorem real property and unsecured personal property taxes, and all taxes, other than income taxes, applicable to Mining of the Properties, including without limitation all state mining taxes, sales taxes, severance taxes, royalties, license fees and governmental levies of a similar nature;
- (c) allowance for overhead in accordance with Section 2.13 of the Accounting Procedure;
- (d) all expenses incurred relative to the sale of Products, including an allowance for commissions at rates which are normal and customary in the industry;
- (e) all amounts payable to the remaining Participant or its Affiliates during Mining pursuant to the Agreement or under any applicable operating or similar agreement in force with respect thereto;
- (f) the amount of Capital Contributions and other costs of investment made before the beginning of Mining, including all Capital Contributions for Exploration and Development of the Properties made by the non-withdrawing Participant both prior and subsequent to the withdrawing Participant acquiring a Net Proceeds interest;

- (g) interest on monies borrowed or advanced for costs and expenses, at an annual rate equal to 7.5 percentage points above the Prime Rate, but in no event in excess of the maximum permitted by applicable Laws;
- (h) an allowance for reasonable working capital and inventory;
- (i) costs of funding the Environmental Compliance Fund as provided in the Accounting Procedure;
- (j) actual costs of Operations; and
- (k) rental, royalty, production, and purchase payments.

1.2 Gross Revenue. For purposes hereof, the term “**Gross Revenue**” shall mean the sum of (i) gross receipts from the sale of Products, less any charges for sampling, assaying, or penalties; (ii) gross receipts from the sale or other disposition of Assets; (iii) insurance proceeds; (iv) compensation for expropriation of Assets; and (v) judgment proceeds. Gross receipts for sale of Products shall be determined by negotiation between the purchaser and the seller thereof at the time of sale.

1.3 Intent. It is intended that the remaining Participant shall recoup from Gross Revenue all of its on-going contributions for Exploration, Development, Mining, Expansion and Modification and marketing Products before any Net Proceeds are distributed to any Person holding a Net Proceeds interest. No deduction shall be made for income taxes, depreciation, amortization or depletion. If in any year after the beginning of Mining of the Properties, an operating loss relative thereto is incurred, the amount thereof shall be considered as and be included with outstanding costs and expenses and carried forward in determining Net Proceeds for subsequent periods. If Products are processed by the remaining Participant, or are sold to an Affiliate of the remaining Participant, then, for purposes of calculating Net Proceeds, such Products shall be deemed conclusively to have been sold at a price equal to fair market value to an arm’s length purchaser FOB the concentrator for the Properties, and Net Proceeds relative thereto shall be calculated without reference to any profits or losses attributable to smelting or refining.

ARTICLE II PAYMENT OF NET PROCEEDS; AUDIT RIGHTS

2.1 Payment of Net Proceeds. Payments of Net Proceeds shall commence in the calendar quarter following the calendar quarter in which Net Proceeds are first realized (the “**Commencement Date**”). The Manager shall cause each payment of Net Proceeds for any calendar quarter to be made within 45 days after the end of such quarter, and shall deliver with each such payment a copy of the calculations performed by the Manager to determine the amount of the payment. If all necessary information is not available to the Manager within such 45day period, the Manager shall make an interim settlement of the payment of Net Proceeds within such 45 day period of at least 95% of the anticipated final settlement based on all information available to the Manager. Final settlement of any overpayments or underpayments shall be corrected in the next calendar quarter following determination of any such adjustments.

All payments shall be made by wire transfer of immediately available funds to the account designated in writing by the recipient to the Manager. Any payment not made within 5 days after the due date shall, without the requirement for notice, constitute a default, and shall bear interest at a default rate from the date such payment was due to the date such payment and all accrued interest thereon has been paid.

2.2 Audits. From and after the Commencement Date, the recipient shall have the right upon at least 30 days' notice to undertake through an independent firm of certified public accountants an audit of the records and documentation that relate to the calculation of Net Proceeds for any calendar quarter; provided, that such notice is delivered within 12 months after receipt of final payment under Section 2.1 for such calendar quarter. Any calculation not so audited shall be deemed final and shall not thereafter be subject to audit or challenge, except in the case of fraud. The recipient shall not be entitled to conduct more than one such audit in any 12 month period. Any such audit shall be conducted during the normal business hours of the Manager. Unless such audit discovers a discrepancy of more than 10%, the cost of such audit shall be paid by the recipient. If such audit discovers a discrepancy of more than 10%, the cost of such audit shall be paid by the Manager.

SCHEDULE E

INSURANCE

This Schedule E sets forth the insurance requirements of the Manager under the Joint Venture Agreement between Intor Resources Corp. and Eureka Minerals (USA) Inc. (the “**Agreement**”). Capitalized terms used but not defined herein have the meanings ascribed thereto in the Agreement.

1. Insurance Coverage. At all times, the Manager shall obtain and maintain the following policies of insurance, which may be obtained in the name of the Manager, for the protection of the Participants:

- (a) worker’s compensation or similar insurance for the statutory limits under applicable Laws and voluntary compensation insurance covering all employees not subject to applicable worker’s compensation Laws;
- (b) employer’s liability insurance with minimum limits of \$2,000,000 per each accident;
- (c) commercial general liability insurance or comprehensive general liability insurance with broad form CGL endorsement, either of which shall include bodily injury, death and property damage, with limits of \$2,000,000 per each occurrence and \$4,000,000 in the aggregate, which shall include: (i) contractual liability (including liability assumed under this Agreement), (ii) tortious liability, (iii) non-owned automobile liability, (iv) products and completed operations, (v) explosion, collapse and underground damage, and (vi) sudden and accidental pollution liability; and
- (d) automobile liability insurance covering owned, non-owned, or hired vehicles in the amount of \$2,000,000 per each occurrence and covering bodily injury to or death of persons, and loss or damage to property of persons.

2. Policy Requirements. All policies of insurance described in Sections 1(c) and 1(d) above (“**Liability Policies**”) shall contain:

- (a) an endorsement naming each Participant as an additional insured;
- (b) provision that such insurance is primary insurance with respect to the interests of the Business and each Participant and that any other insurance maintained by either Participant is excess and not contributing insurance with the insurance required by this Schedule E;
- (c) sufficient endorsements to extend the full policy coverage to all areas in which any Operations are or will be conducted;
- (d) no exclusions for damage to underground property, collapse of structure, or damage resulting from explosion or blasting;

- (e) a waiver by the insurer of any rights to subrogation against any of the parties comprising the insured; and
- (f) a statement that acts, omissions, non-disclosure or misrepresentations by any insured shall not affect or prejudice the insurance with respect to any other insured.

3. Certificates and Policies of Insurance. Before the performance of any Operations under the Agreement, the Manager shall deliver to the other Participant certificates of insurance for each insurance policy required under Section 1. The certificates of insurance for the Liability Policies shall contain:

- (a) a statement that each Participant is named as the primary or an additional insured;
- (b) a statement that the insurance provider has waived subrogation rights with respect to each Participant;
- (c) a statement that the policy will not be materially changed or canceled without at least 30 days prior written notice to each Participant; and
- (d) a statement that the policy coverages apply to the Agreement and any operations performed under the Agreement.

Upon demand, the Manager shall promptly furnish to each Participant copies of the policies of insurance required by this Schedule E, which shall be deemed Confidential Information, except that each Participant shall have the right to disclose such policies to the extent necessary to pursue claims under the policies.

4. Miscellaneous.

- (a) Except as otherwise provided in this Schedule E, the obligations of the Manager and each Participant under the Agreement, including their respective indemnification obligations, shall not be limited, altered or relieved by the Manager's compliance or noncompliance with this Schedule E.
- (b) If the Manager subcontracts any Operations, then the Manager shall require (i) the same insurance coverage and liability limits required of the Manager in this Schedule E (or such other coverage as may be approved in writing by the other Participant) from its subcontractors and (ii) such subcontractors to certify such insurance coverage to the other Participant before commencing work.
- (c) All insurance policies required under this Schedule E shall be obtained from insurance providers having a Best rating of B+ or better.
- (d) Except with the written consent of the other Participant, the Manager shall not self-insure for any of the insurance required by this Schedule E. If such other Participant consents to self-insurance by the Manager, then the Manager may

charge to the Business Account an amount equal to the premiums it would have paid had it obtained and maintained the policy or policies of insurance on a competitive bid basis.

SCHEDULE F
INITIAL PROGRAM AND BUDGET

This Schedule F sets forth the initial Program and Budget under the Joint Venture Agreement between Intor Resources Corp. and Eureka Minerals (USA) Inc. (the “**Agreement**”). Capitalized terms used but not defined herein have the meanings ascribed thereto in the Agreement.

The Parties agree that the Budget for the Initial Program, covering the first 12 months following the Effective Date, will be \$400,000, to be allocated as follows:

Drilling and ancillary matters, including purchase of water	\$300,000
Consulting and supervision	\$100,000
Total	\$400,000