

December 10, 2014

Teck Madencilik Sanayi Ticaret A.Ş.  
Turan Güneş Bulvarı No: 86 Kat: 4-5  
Yıldız Cankaya  
Ankara, Turkey

Orta Truva Madencilik Sanayi ve Ticaret A.Ş.  
Turan Güneş Bulv. No: 86/4  
06550 Çankaya  
Ankara, Turkey

**Re: Amended and Restated TV Tower Property Joint Venture Letter Agreement**

To Whom It May Concern:

Pilot Investments Inc. (“**PII**”), as successor to Fronteer Eurasia Madencilik Ltd. Sti., and Teck Madencilik Sanayi Ticaret A.Ş. (formerly named Teck Cominco Arama ve Madencilik Sanayi Ticaret A.Ş.) (“**TMST**”) are parties to:

- (a) a memorandum of understanding dated June 1, 2007 and a memorandum of understanding dated October 19, 2004 (together, the “**Biga Agreements**”) with respect to certain properties within the Biga RA (as such term is defined in the Biga Agreement); and
- (b) a joint venture letter agreement (the “**2012 Agreement**”) dated June 20, 2012 that set out the agreement among Pilot Gold Inc. (“**PLG**”) (the indirect parent company of PII), Agola Madencilik Limited Şirketi (“**Agola**”) (a direct subsidiary of PII), PII and TMST with respect to the conduct of the business of a jointly held subsidiary, Orta Truva Madencilik Sanayi ve Ticaret A.Ş. (“**Orta Truva**”, which, together with PLG, PII and TMST constitute the “**Parties**”) and the right of PII to acquire an additional 20% interest in Orta Truva. Orta Truva is the legal and beneficial holder of title to the TV Tower Property as described in Schedule “A” hereto (collectively, the “**Properties**”). The 2012 Agreement superseded and replaced the Biga Agreements with respect to the Properties as of June 20, 2012 (the “**Effective Date**”).

The parties have agreed to amend and restate the 2012 Agreement pursuant to the terms of this Agreement, with effect from the date hereof.

**Initial Interests**

1. *Joint Venture.* PII and TMST (the “**Shareholders**”) together hold, directly or beneficially, 100% of the issued and outstanding shares of Orta Truva (the “**OT Shares**”). TMST, or an affiliate of TMST, holds, for the benefit of Orta Truva, certain of the licenses which comprise the Properties, which are described in Schedule “A” hereto (the “**Trust Licences**”). Orta Truva is also the legal holder of title to certain other licenses and property interests (as described in Schedule “A”, the “**Other Licenses**”) that do not form a part of the Properties and which will, immediately after the Effective Date, be sold or otherwise transferred by Orta Truva to TMST.

2. *Initial Shareholding Interests.* The registered holders of the OT Shares are as follows:

<b>Holder</b>	<b>Capital (Turkish Lira)</b>	<b>%</b>
PII	19,900	39.80
TMST	29,900	59.80
Nurettin Ahi	100	0.20
Mustafa Ender Ozaydin	100	0.20
Total	50,000	100%

with PII beneficially holding 40% of the OT Shares (registered directly or through its nominee shareholder, Mustafa Ender Ozaydin) and TMST beneficially holding 60% of the OT Shares (registered directly or through its nominee shareholder, Nurettin Ahi) (collectively, the “**Shareholding Interests**” and for each Shareholder, its respective “**Shareholding Interest**”). Each of the Parties covenant and agree that as soon as reasonably practicable after the effective date of the new Turkish Commercial Code No. 6102 (enacted on January 13, 2011 and to be effective from July 1, 2012), each Shareholder shall acquire all of the OT Shares held by its nominee shareholder(s) (and shall cause its nominee shareholder(s) in Orta Truva to transfer such OT Shares to such Shareholder) such that all of the OT Shares held by each nominee shareholder and any other interests they may have in such OT Shares shall be unconditionally and irrevocably transferred to PII or TMST, as applicable, in accordance with Turkish Law and the constating documents of Orta Truva.

3. *Agreement for Purchase and Sale of Additional Interest.* On and subject to the terms set out in Schedule “E” hereto, TMST agrees to sell and PII agrees to buy OT Shares representing 20% of the OT Shares outstanding as at the Closing Date (as defined in Schedule “E”).
4. *Governing Documents.* Unless otherwise terminated in accordance with the terms hereof, this Agreement will supersede and replace the Biga Agreements and the 2012 Agreement with respect to Orta Truva and the Properties and shall govern the operation of, and the Shareholders’ relationship with respect to, Orta Truva and the Properties. Notwithstanding the foregoing, during the Earn-In Period (as defined in Schedule “E”), the terms of Schedule “E” to the Agreement shall supplement or supersede, as applicable, the terms of this Agreement and in the event of any conflict between the Agreement and the terms in this Schedule “E”, Schedule “E” shall govern.

### **Joint Venture**

5. *Effect of Agreement.* Each of the Shareholders shall at all times promptly:
- vote their respective OT Shares; and
  - instruct their director nominees on the Board (as defined below);

so as to cause Orta Truva to act in the manner contemplated by this Agreement and so as to fully implement the terms of this Agreement and, to the extent permitted by law, shall cause their respective nominees as directors to so act. If any director who is appointed by a Shareholder refuses for any reason to exercise his or her discretion in accordance with the provisions of this Agreement in relation to any matter or action expressly contemplated by the provisions of this Agreement to the maximum extent permitted by law, that Shareholder shall forthwith take all lawful action within that Shareholder's power or control to remove that director and appoint another individual to replace that director and the other Parties shall take all necessary steps to assist with that action and the replacement of that director. PLG agrees to use its best efforts and take all steps as may reasonably be within that Party's power to cause PII to comply with and act in the manner contemplated by the provisions of this Agreement and to implement to their full extent the provisions of this Agreement to the maximum extent permitted by law.

6. *Terms to Prevail over Constatng Documents.* In the event of any conflict between the provisions of this Agreement and Orta Truva governing documents (including, but not limited to, its articles of association) the provisions of this Agreement shall prevail and govern to the extent permitted by law. Upon receiving Notice of conflict, the Shareholders shall promptly procure all necessary proceedings, convene the general assembly of Orta Truva, vote their respective OT Shares and pass a resolution so as to cause Orta Truva's governing documents (including, but not limited to, its articles of association) to be amended in order to resolve such conflict in favour of the provisions of this Agreement.

### **Governance and Operation**

7. *Technical Committee.* The Shareholders shall have a committee (the "**Technical Committee**") to serve as a forum through which all Shareholders can be engaged in the design and implementation of work plans and budgets for the Properties (which work plans and budgets that are prior to a Production Notice are a "**Program**", those following a Production Notice and prior to the completion date of a mine are called a "**Mine Construction Plan**", and those following the completion date of a mine are called a "**Mine Operating Plan**", and the latter two are collectively called "**Plans**") and to review results from the Properties from time to time. A Shareholder shall be entitled to representation on the Technical Committee and may be represented by such reasonable number of individuals (not to exceed four) that Shareholder considers appropriate for the subject matter of discussion at the meetings and the nature of the Program or Plan to be considered. Without limiting generality, the Technical Committee shall:
- (a) evaluate the results of Programs and Plans;
  - (b) evaluate and comment upon:
    - i. the scope, budget and timing of proposed Programs and Plans including all alternative suggestions or proposals of Technical Committee members;

- ii. any proposed acquisitions and proposed terms of acquisition; and
  - iii. any proposed tenure abandonments or reductions; and
- (c) hold meetings on not less than seven (7) days' Notice from the Operator or any other Shareholder and shall be held not less frequently than quarterly unless otherwise agreed by all Shareholders. A Shareholder may waive in writing the giving of Notice for any meeting, either before or after the meeting. Each meeting shall be held in person, by telephone or video conference, or by resolution in writing signed by all members thereof.

8. *Operator.*

- (a) The Operator will be responsible for the daily direction of exploration, development and mining activities which it carries out on behalf of the Properties.
- (b) Following the Earn-In Period, the Shareholder with the largest Shareholding Interest shall be entitled to become, or appoint an affiliate to become, the operator (the "**Operator**") and, in connection therewith, will be responsible for the actions set forth in Schedule "C" hereto. The appointment of the Operator shall be formalized (i) in a services agreement between the Operator and Orta Truva to be approved by the Board and executed and delivered within sixty (60) days after the Earn-In Period (a "**Services Agreement**") the initial form of which is attached hereto as Schedule "D"; and (ii) in a Board resolution whereby Orta Truva authorizes the Operator with the powers specified in Schedule "C" (or Appendix "1" to Schedule "E", as applicable), such resolution being registered with the trade registry and a signature circular being issued in this respect. Should a Shareholder entitled to become or appoint the Operator pursuant to the terms hereof appoint an affiliate to become the Operator, such Shareholder shall cause such Operator to carry out its obligations fully under the Services Agreement and shall indemnify Orta Truva, without cost to the other Shareholder(s) hereto, for any breach of such appointed Operator's obligations under the Services Agreement.
- (c) To the extent and for the duration that an affiliate of a Shareholder is appointed to the role of, and serves as, Operator (whether during or following the Earn-In Period) pursuant to the terms of this Agreement and the Services Agreement, that Affiliate shall execute and deliver to Orta Truva and the Shareholders its agreement to comply with the provisions of this Agreement as such provisions relate to the rights and responsibilities of the Operator and to implement to their full extent such provisions of this Agreement to the maximum extent permitted by law.
- (d) The Shareholders hereby acknowledge that it is in the interests of the joint venture, as a whole, that as work progresses on the Properties, Orta Truva begin to assume more tasks related to its administration and the day-to-day activities on the Properties and generally become an operating company but whose activities are limited to the development and operation of the Properties. To that end, the

Shareholders covenant and agree that prior to (and to be effective upon) the Board's authorization under paragraph 26 of a Production Notice being given and then again prior to (and to be effective upon) the completion date of any mine construction on the Properties, the Shareholders will review and negotiate in good faith and acting reasonably to assess the appropriate role and responsibilities of Orta Truva and the Operator in the operations of the Properties at that time and on a forward-looking basis and agree to adjust the scope of the Operator's services accordingly. Until such time that an agreement is reached by the Shareholders with respect to the foregoing, the role, responsibilities and entitlements (including the Operator's fee in paragraph 15(b)) will remain as otherwise agreed to herein.

9. *Board of Directors.* The Board of Directors of Orta Truva (the "**Board**") shall be comprised of five representatives of the Shareholders, with each shareholder having the right to appoint the number of directors to the board that is proportionate to its interest. A representative appointed by the Operator shall be entitled to be chairman of the Board ("**Chairman**") but shall not have any second vote by virtue of being Chairman. The Board will have the right, power and authority to make all decisions concerning the management, finances, operations, activities, actions, affairs and business of Orta Truva, including without limitation all decisions with respect to the following matters, with such decisions to be made in accordance with paragraph 10:
- (a) except as otherwise provided in paragraph 37, the creation, development, implementation and carrying out of Programs and Plans;
  - (b) all exploration, development, mining and other activities and operations of Orta Truva;
  - (c) the establishment and maintenance of cash reserves to cover the anticipated costs of reclamation, environmental compliance and other foreseeable liabilities and obligations, provided, however, that the Shareholders may agree to establish such other reasonable reserves as they deem prudent in the circumstances;
  - (d) the maintenance, protection, defense, curing and perfection of title to the concessions and the Properties. However, if the Board should decide to abandon all or a portion of the Properties, the Operator will give the non-Operator sixty (60) days Notice of that intention to abandon and the non-Operator shall have the option to acquire or otherwise accept transfer of, for such minimum price as permitted by law, such part of the Properties being abandoned (such property or assets to be maintained in good standing to at least the end of the Operator's 60-day Notice period aforesaid) if the non-Operator so requests within thirty (30) days of the Operator's Notice, and such part of the Properties abandoned will no longer be subject to this Agreement;
  - (e) obtaining and maintaining permits, licences, approvals and authorizations;

- (f) the disposition, sale, lease or other transfer of any of the assets or property of Orta Truva, other than as provided in paragraph 9(p);
- (g) the acquisition, purchase or lease of any right, title or interest in any new or additional assets, minerals or other real or personal property;
- (h) the incurring of debt and the granting of any liens and encumbrances on the assets or property of Orta Truva, provided that no debt on the property of Orta Truva or of Orta Truva will be incurred prior to a Production Notice pursuant to paragraph 26(d);
- (i) the initiation, defense and settlement, through independent attorneys or otherwise, of litigation;
- (j) to appoint a statutory auditor to Orta Truva pursuant to the Turkish Commercial Code; and
- (k) to make a production decision, pursuant to paragraph 23.

All decisions of the Board shall be adopted by the affirmative vote of a majority of the directors present at a duly convened Board Meeting. However, any decision by or on behalf of Orta Truva to do any of the following will require unanimous approval of the Shareholders:

- (l) to conduct any business other than related to exploration and mining on or for the benefit of the Properties;
- (m) to borrow money other than for financing the construction of a mine and working capital for mine operations;
- (n) to issue OT Shares or other securities of Orta Truva to any third party who is not already a shareholder of Orta Truva;
- (o) to wind up, amalgamate or undertake a corporate merger or similar transaction; or
- (p) to sell or dispose of all or substantially all of the assets of Orta Truva or of the Properties.

10. *Board Meeting Procedure & Quorum.* Save as provided in this Agreement or applicable governing laws, the Board shall determine its own procedural rules. Unless waived, the Board shall hold regular meetings at least annually. Meetings shall be held in a mutually agreed location and otherwise at the Operator's principal office in Turkey. Any director may call a meeting upon fourteen (14) days' Notice to the other directors. In case of

emergency, reasonable Notice of a special meeting shall suffice. Any Notice of a meeting of the Board shall be accompanied by a proposed agenda of the business to be conducted at such meeting (the “**Board Agenda**”). Except as otherwise expressly required by applicable laws or provided in this Agreement, the quorum for any meetings of the Board shall require the presence of at least three members (with at least one representative of each Shareholder present). If a quorum is not present at the commencement of a Board meeting, then the directors present may not transact any business and such directors shall adjourn such meeting and Orta Truva shall provide Notice of such adjourned meeting to each director and Shareholder. The adjourned meeting shall be held at the same time and place no sooner than seven (7) business days following the date of the Notice of the adjourned meeting. So long as the only business to be transacted at the adjourned meeting is the business described in the Board Agenda (unless unanimous shareholder approval is received to transact other business at the adjourned meeting), the quorum for such an adjourned meeting of the Board will be comprised of the directors present at the adjourned meeting, and there will be no requirement that a representative of each Shareholder comprise the quorum at such adjourned meeting.

11. *Board Meeting Minutes.* Minutes of each meeting of the Board shall be distributed to the Board within fifteen (15) days after such meeting. Each director shall provide its written approval, or object to, the minutes within thirty (30) days after receipt, and failure to do either shall be deemed acceptance of the minutes as prepared. The minutes, when approved by the directors or deemed accepted by each of the directors, shall be signed by the Chairman. If a director timely submits written comments on such minutes, the Chairman shall seek, for a period not to exceed thirty (30) days, agreement among the directors upon minutes of such meeting acceptable to all the directors. At the end of such period, failing agreement by all of the directors on revised minutes, the minutes of the meeting shall be the original minutes as prepared, together with any accepted comments made on such minutes. These documents shall be placed in the minute books of the Board maintained by Orta Truva.
12. *Shareholder Meeting Procedure & Quorum.* Unless waived, Notice of a meeting shall be provided to each Shareholder at least fourteen (14) days prior to the date of such Shareholder meeting. Each such Notice of a Shareholder meeting shall be accompanied by a proposed agenda of the business to be conducted at such meeting (the “**Shareholder Agenda**”). Except as otherwise expressly required by applicable laws, quorum for any meetings of the Shareholders shall require the presence, in person or by proxy, attorney or representative, of Shareholders holding at least 50% of the OT Shares and all decisions of the Shareholders shall be adopted by the affirmative vote of Shareholders holding more than 50% plus 1 of the OT Shares present at the meeting. If a quorum is not present at the commencement of a Shareholder meeting, then the meeting shall be deemed to have adjourned (and Ortu Truva shall provide Notice of such adjourned meeting to each Shareholder). The adjourned meeting shall be held at the same time and place seven (7) business days following the date of the Notice of the adjourned meeting. So long as the only business to be transacted at the adjourned meeting is the business described in the Shareholder Agenda (unless unanimous shareholder approval is received to transact other

business at the adjourned meeting), the quorum for such an adjourned meeting of the Shareholders will be comprised of the Shareholders present at the adjourned meeting.

13. *Action Without Meeting In Person.* In lieu of attendance in person at meetings, the Board, the Technical Committee, and/or the Shareholders may hold meetings by telephone or video conferences, so long as appropriate minutes of the meeting are prepared, or by way of written resolution signed by all directors, Technical Committee members or Shareholders, as applicable. The Board may also convene at an electronically held meeting pursuant to article 1527 of the Turkish Commercial Code numbered 6102.

14. *Reporting.* From and after the Earn-In Period until the date of a Production Notice, while Programs are being carried out, the Operator shall furnish the Shareholders on a timely basis with quarterly progress reports and a final report on conclusion of each Program. The final report shall show the exploration work performed and the results obtained and shall be accompanied by a statement of Costs, with appropriate explanations for any material variations from the Program budget, and copies of such factual data as is reasonably necessary to adequately illustrate and document the results of the exploration work performed. Following the date of a Production Notice, the Operator shall provide monthly progress reports to the Shareholders on a timely basis, which reports shall also include information on any changes or developments affecting the Plans or the Properties that the Operator considers material.

15. *Costs.* “**Costs**” means:

- (a) all costs, expenses, charges and outlays, direct and indirect, funded or incurred excluding value added taxes that are recoverable, paid or payable by Orta Truva or the Operator in respect of the Properties, including, without limiting the generality, all on-site costs, including but not limited to, costs for prospecting, claim staking, tenure obligations, taxes (including stamp tax and value added tax, as applicable), mapping, surveying, permitting, geochemical surveys, geophysical surveys, sampling assaying, trenching, drilling, geochemical analyses, road building, drill site preparation, preliminary economic assessments, pre-feasibility studies, a Feasibility Study, drafting, ordinary course internally prepared resource estimates prepared by or for the benefit of Orta Truva (excluding studies and resource estimates prepared in connection with Canadian statutory compliance of a Shareholder, unless such studies and resource estimates are used for the preparation of a preliminary economic assessment, pre-feasibility study or a Feasibility Study) in a manner consistent with industry practice and reports thereon, report writing (including, without limitation, technical reports), consultants, employees, wages or other compensation based upon a corporate wide plan, other than stock options or similar schemes (except consultants, employees, wages or other compensation with respect to services undertaken by management in a governance capacity), accounting, specialty insurance requirements, negotiating access agreements, access to and use of existing camp facilities, development and use of new camp facilities, equipment, mine construction, pre-development, operation and reclamation, expenditures made to acquire additional rights or properties within the Area of

Interest in accordance with paragraph 54, compensation payable to owners or occupiers of land and all other project expenditures; and

- (b) an Operator's fee as follows: (i) 10% of costs, expenses, charges and outlays under paragraph 15(a) incurred prior to the date a Production Notice contemplated in paragraph 26 is given; (ii) an operator's fee of 2% of costs, expenses, charges and outlays under paragraph 15(a) incurred, including mine construction costs, on and after the date a Production Notice contemplated in paragraph 26 is given and prior to the completion date of the mine; and (iii) an operator's fee of 3% of costs, expenses, charges and outlays under paragraph 15(a) incurred after the completion date of the mine.

### **Exploration Programs**

16. *Programs & Technical Meetings.* Unless otherwise provided by the Board, all activities of Orta Truva prior to a Production Notice shall be conducted, expenses shall be incurred, and assets shall be acquired only pursuant to approved Programs. Each Program shall cover a forward-looking twelve (12) month period ending December 31 of each year. At least once per calendar year, the Operator shall prepare and submit to the Technical Committee a draft Program for consideration and comment. The Technical Committee shall convene a meeting, pursuant to paragraph 7(c), to evaluate and comment upon the draft Program and either (a) provide comments or suggested revisions to the draft Program for amendment of the draft Program by the Operator, or (b) recommend the draft Program for consideration by the Board. The Operator and the Technical Committee shall have 14 days from the date of the initial Technical Committee meeting to consider and resolve any comments and make a recommendation to the Board. If there is no consensus on a recommendation, the draft Program and the unresolved issues will be submitted promptly to the Board, with a copy to the members of the Technical Committee. Upon receipt of the Technical Committee's recommendation or the Technical Committee's report as to unresolved issues, the Board shall convene a meeting (in person, by telephone or video conference, or by resolution in writing signed by all members thereof) to consider and, if deemed appropriate, approve the proposed Program.
17. *Program Overruns.* If the forecasted Costs for the relevant Program exceed or are expected to exceed the approved Program then the Operator will promptly notify the Board for the purpose of convening a meeting of the Board to consider and unanimously approve the overrun and a re-forecast of the Costs. If it appears to the Operator that Costs overruns on a Program may exceed the 10% overrun allowance contemplated in paragraph 21, the Operator shall immediately give Notice to the Shareholders that are contributing to that Program outlining the nature and extent of the additional costs and expenses (herein called "**Excess Overruns**") and the reasons therefor. The Operator shall call a meeting of the Board, to be held no sooner than seven (7) days after the date of delivery of the applicable Notice, for the purpose of considering, and if deemed advisable, approving the Excess Overruns. If the Excess Overruns are unanimously approved by the Board, the Shareholders contributing to that Program shall, within fifteen (15) days after the receipt of a written request from the Operator, provide the Operator

with their proportionate share of such Excess Overruns. If the Excess Overruns are not unanimously approved by the Board, the Operator shall curtail or abandon such Program upon the funds originally budgeted therefor together with the 10% overrun allowance having been exhausted.

18. *Emergency Expenditures.* Notwithstanding the preceding paragraph, in case of emergency, the Operator or Orta Truva may take any action or incur reasonable Costs as it deems necessary to protect life, limb or property, to protect the Properties or to comply with law or government regulation. In the case of an emergency, the Operator or Orta Truva shall promptly notify the Shareholders of the Costs, and the Operator or Orta Truva shall be reimbursed therefor by the Shareholders in proportion to their respective Shareholding Interests at the time the emergency action is taken or such Costs are incurred.
19. *Audit.* If so requested by a Shareholder after the end of each calendar year, an audit of Orta Truva for such calendar year shall be completed by certified public accountants independent of Orta Truva. The audit shall be conducted in accordance with generally accepted auditing standards and shall cover all books and records maintained by Orta Truva pursuant to this Agreement, all assets and encumbrances, and all transactions and operations conducted during such calendar year, including production and inventory records and all Costs for which Orta Truva sought such audits. The cost of an audit shall be solely for the account of the Shareholder requesting the audit, unless the audit discloses an error which is in excess of one percent, in which case the cost shall be solely for the account of the Operator.
20. *Share Subscription.* After the Earn-In Period, each approved Program shall be funded by the Shareholders through an advance for the subscription for new OT Shares, which OT Shares will be priced at the par value of the OT Shares. The OT Shares necessary to settle the advances will be issued on completion of final accounting for each completed or terminated Program. Each Shareholder will, based on its elections pursuant to paragraph 21, be entitled to that number of newly offered OT Shares that is equivalent to the advances it has made to fund its elected contribution level for that Program. If:
  - (a) a Shareholder elected to contribute to a Program and subscribe (an “**Electing Shareholder**”), it shall advance its proportionate share of the subscription amount, from time to time, against a Cash Call in order to allow Orta Truva to pay Expenditures in connection with the approved Program;
  - (b) a Shareholder elected (or is deemed to have elected) not to contribute to a Program and subscribe (a “**Non-Electing Shareholder**”) and has not subsequently elected to subscribe pursuant to paragraph 21, then the Electing Shareholder may elect to subscribe for the new OT Shares which were not subscribed by the Non-Electing Shareholder;
  - (c) Orta Truva shall issue, from time to time, such number of shares to each of the Shareholders that were elected for subscription and paid for by the Shareholders

with those OT Shares that were offered and paid for by the subscribing Shareholders being issued by Orta Truva to the subscribing Shareholders upon the settlement of the accounts following completion or termination of the Program.

21. *Funding Exploration Programs.* After the Earn-In Period, within fifteen (15) days of the approval of the Program, each Shareholder may elect to contribute up to its proportionate share of the Costs of the approved Program through a subscription for OT Shares as contemplated in paragraph 20 or will have been deemed to have elected not to contribute to such Program. An Electing Shareholder shall be liable to pay all, or a portion, of its proportionate share of the Costs actually incurred under or pursuant to the approved Program, including an overrun of up to but not exceeding 10% and any approved Excess Overruns, and to subscribe for all the OT Shares at its elected contribution level. If the Program is not fully subscribed by the Shareholders, an Electing Shareholder shall have the right to elect, by Notice to all Shareholders within a further 15 days, to fund such portion of the Non-Electing Shareholder's proportionate share of the Costs of the approved Program not subscribed for by the Non-Electing Shareholder, including an overrun of up to but not exceeding 10%. If the approved Program is still not fully subscribed, the Program shall be deemed rescinded but without prejudice to the Operator's right under paragraph 16 to propose a new draft Program (the submission by the Operator of a new draft Program will be a commitment on its part to sole fund the entire Costs of that Program if the other Shareholder elects not to subscribe) or the Operator's right under paragraph 18 in relation to emergency expenditures. In the event of delay in the approval of a Program, the Operator may carry out and fund all minimum expenditures required to keep tenure to the Property and any other legal commitments in good standing, which expenditures will be included in the Costs of the next approved Program. If a Program to which a Non-Electing Shareholder elected not to contribute its proportionate shares is completed or terminated with less than 80% of the budgeted costs having been incurred, the Non-Electing Shareholder will be given Notice thereof, including the results of the Program, and it may within thirty (30) days elect to contribute its full proportionate share based on its prior Shareholding Interest, which contribution will be used by Orta Truva to reimburse the Electing Shareholder for the amounts outstanding under the Contribution Loan.
22. *Cash Calls.* After the Earn-In Period and within thirty (30) days prior to the next ensuing calendar quarter, the Operator shall submit to each Shareholder which elected to contribute to the Program then in effect an invoice, in Turkish lira, for such Shareholder's share of estimated Costs as set forth in such Program for each calendar month in the upcoming calendar quarter; and if such quarterly estimate needs to be adjusted, the Operator shall submit to each Shareholder which elected to contribute to the Program then in effect an invoice, in Turkish lira, for such Shareholder's share of estimated Costs, not otherwise provided for in the quarterly invoice in paragraph 22(a), prior to the last day of each calendar month, or as required from time to time, (each, a "**Cash Call**").
- (a) Within thirty (30) days after receipt of each Cash Call, each Shareholder shall advance to Orta Truva the amount specified in such Cash Call. If the amount invoiced in a Cash Call for the estimated Costs is less than the actual Costs incurred

or charged during the calendar month to which such Cash Call relates, Orta Truva may invoice the Shareholders for the difference (also, a “**Cash Call**”) at any time, and the Shareholders will advance the difference within thirty (30) days following receipt of such Cash Call. The Operator may establish more frequent invoice cycles to minimize account balances. Time shall be of the essence in respect of payment of all Cash Calls.

- (b) The Operator shall provide Notice (a “**Follow-up Notice**”) to a Shareholder of any failure to advance to Orta Truva the amount specified in a Cash Call within ten (10) days of receipt of the applicable Cash Call. The Shareholder shall have ten (10) days from receipt by the Shareholder of the Follow-up Notice (the “**Follow-up Date**”) to advance to Orta Truva the amount specified in the applicable Cash Call.
- (c) If the Operator does not receive all funds from the Shareholders on or before the Follow-up Date and a Shareholder remains in default in contributing to a Cash Call, the Operator may elect to curtail or abandon any Program upon the funds received therefore having been exhausted, unless prior to the date of the Operator curtailing or abandoning such Program the Shareholder cures such default in accordance with paragraph 22(e) or another Shareholder elects pursuant to the terms hereof to contribute the shortfall so created.
- (d) A Shareholder that fails to meet Cash Calls in the amount and at the times specified in paragraph 22(a), and such failure is not remedied as specified in paragraph 22(b), shall be in default. The Shareholders acknowledge that if a Shareholder elects to participate in a Cash Call and then defaults in making a contribution to an approved Program or a Cash Call, it will be difficult to measure the damages resulting from such default. The Shareholders acknowledge that the damage to the non-defaulting Shareholders could be significant. In the event of such default, as reasonable liquidated damages and as the non-defaulting Shareholder’s sole and exclusive remedy therefor, the non-defaulting Shareholder shall be entitled to twice the number of OT Shares that would otherwise be issued on a pro rata basis in accordance with paragraph 20. Such adjustments to the Shareholding Interests shall be effective as of the date of the default.
- (e) A Shareholder may cure a default in contributing to a Cash Call at any time prior to an adjustment to such Shareholder’s Shareholding Interest is made pursuant to the preceding paragraph.
- (f) If the amount invoiced in a Cash Call for the estimated Costs is more than the actual Costs incurred or charged during the calendar month to which such Cash Call relates, Orta Truva shall credit the difference to the account of the Shareholders, to be applied by Orta Truva against future Cash Calls.

## **NSR Royalty**

23. *Elimination of Minority Interest.* If, a Shareholder's Shareholding Interest (combined with Shareholding Interest of such Shareholder's associates or affiliates) is reduced (other than through withdrawal or surrender pursuant to paragraph 42 hereof) to less than 10%, or they do not elect to contribute at least a 10% share of the Construction Costs as contemplated in paragraph 28, other than in connection with a sale or transfer of all or a portion of a Shareholder's Shareholding Interest in accordance with this Agreement, such Shareholder (and its associates and/or affiliates, as applicable) (together, the "**Withdrawing Shareholder**") shall be deemed to have withdrawn from the joint venture and shall relinquish its entire Shareholding Interest, free and clear of any encumbrances arising by, through or under that Withdrawing Shareholder. The Withdrawing Shareholder shall promptly transfer the Shareholding Interest to the remaining Shareholders, divided up in proportion to the remaining Shareholders' Shareholding Interest and the Withdrawing Shareholder shall cause its representatives on the Board to approve such transfer by way of written resolution. Upon completion of the transfer of the Withdrawing Shareholder's Shareholding Interest in accordance with this paragraph 23, Orta Truva will, subject to paragraph 24 grant to the Withdrawing Shareholder a 2.0% NSR Royalty, such NSR Royalty as defined and paid in accordance with Schedule "B".

24. Each of the Shareholders hereby agrees that each of:

- (a) TMST and its direct and indirect assigns/transferees; and
- (b) PII and its direct and indirect assigns/transferees;

shall be entitled to a maximum aggregate NSR Royalty payable pursuant to this Agreement of 2.0% (the "**Maximum Royalty Entitlement**"). Upon a Shareholder (in each case, the "**Transferor**") transferring any of its shares in Orta Truva as permitted hereunder to any person (the "**Transferee**"), the Maximum Royalty Entitlement shall be allocated between the Transferor and the Transferee in proportion to the OT Shares held by each of them immediately following such transfer, such that the sum of the resulting royalty entitlements (each an "**Allocated Entitlement**") is equal to the Maximum Royalty Entitlement. Upon any subsequent transfer of OT Shares by the Transferor or the Transferee, the applicable Allocated Entitlement shall be further allocated between the applicable transferor and transferee in proportion to the OT Shares held by them immediately following such transfer, and the same method of allocation for NSR Royalty entitlements shall apply to any subsequent transfers of OT Shares. If a Shareholder's shareholding is to be converted into an NSR Royalty in accordance with paragraph 23, the NSR Royalty shall be evidenced by, and Orta Truva shall grant that Shareholder, a charge over the Property that will be registered against the Property, if permitted under Turkish law. Upon registration of the charge, the sole right of that Shareholder will be to receive the share of an NSR Royalty to which it is entitled and that Shareholder shall cease to have any further right or interest in Orta Truva.

## **Feasibility Study**

25. *Feasibility Study Defined.* For the purposes of this Agreement, “**Feasibility Study**” means a study prepared pursuant to this Agreement which shall contain all geological, engineering, operating, economic and other relevant factors which the Operator considers are in sufficient detail so that in the Operator’s opinion, acting reasonably and in good faith, it provides a comprehensive analysis of the economic and technical viability of constructing and operating a mine on the Properties. The Feasibility Study shall be in a form which the Operator, acting in good faith, considers would be customarily required by institutional lenders of major stand-alone financing for mining projects, whether or not such financing is indeed arranged. The Feasibility Study shall examine the following matters: ore reserves; mining methods; metallurgy and processing (including metal recovery); environment, tailings and waste disposal; capital and operating cost estimates; manpower, social and community affairs; transportation methods and costs; marketing; project financing alternatives; a sensitivity analysis; such other matters as are appropriate. The Feasibility Study shall include at least the following information:

- (a) a description of that part of the Properties to be covered by the proposed mine;
- (b) the estimated recoverable reserves of minerals and the estimated composition and content thereof;
- (c) the proposed procedure for development, mining and production;
- (d) results of ore amenability tests;
- (e) the nature and extent of the facilities proposed to be acquired which may include mill facilities, if the size, extent and location of the ore body makes such mill facilities feasible, in which event the study shall also include a preliminary design for such mill;
- (f) the total costs, including capital budget, which are reasonably required to purchase, construct and install all structures, machinery and equipment required for the proposed mine, including a schedule of timing of such requirements;
- (g) all environmental impact studies and costs;
- (h) the period in which it is proposed the Properties shall be brought to commercial production;
- (i) such other data and information as are reasonably necessary to substantiate the existence of an ore deposit of sufficient size and grade to justify development of a mine, taking into account all relevant business, tax and other economic considerations; and

- (j) working capital requirements for the initial four months of operation of the Properties as a mine or such longer period as may be reasonably justified in the circumstances.

Concurrent with the execution of the Program to carry out a Feasibility Study, the Parties will undertake an assessment of the debt financing opportunities available to finance potential mine construction on the Properties.

26. *Feasibility Study.* Orta Truva may, if its Board approves, prepare a Feasibility Study as a separate Program. The Board shall consider each Feasibility Study prepared pursuant to this Agreement. The Board shall not meet to consider a Feasibility Study any sooner than sixty (60) days after it was delivered to each Shareholder, unless the Shareholders agree to an earlier meeting. The Board may approve any Feasibility Study by passing a resolution which:

- (a) approves the Feasibility Study with such modifications, if any, as it considers necessary or desirable;
- (b) approves the Costs estimate, including, unless the Feasibility Study already provided the same, a reasonable allowance for contingencies, which the Board considers necessary to implement the Production Notice together with a schedule of advances which the Shareholders will be required to make in respect of mine construction Costs;
- (c) prepares a mine construction financing plan, including anticipated debt and equity contributions to be made by the Shareholders, a copy of which will be included with the Production Notice (as defined below); and
- (d) authorizes a Notice (a “**Production Notice**”) to be given by the Operator to each of the Shareholders stating that the Board has authorized that the Properties be brought into commercial production through a Mine Construction Plan (a copy of which will be included with the Production Notice) in substantial conformity with the Feasibility Study as so approved.

If the resolution aforesaid is passed, the Board shall forthwith cause the Operator to give the Production Notice to each of the Shareholders.

27. *Feasibility Reporting.* If a Program is approved to commence a Feasibility Study, the Operator shall keep the Shareholders generally informed of developments. The Shareholders shall be entitled to second, at its cost, a representative to the Program so that the Shareholders can remain informed so as to be able to participate in Board meetings to review the Feasibility Study and, if a Production Notice is given, to make its election under paragraph 28 promptly. Upon the Operator completing a Feasibility Study, it will provide a copy of the same to the Shareholders. Each Shareholder shall cause its employees, directors, consultants and advisors to agree to keep the contents of

the Feasibility Study and matters which come to its attention while the Feasibility Study is being prepared confidential and will not make disclosure, other than to the Shareholders, without the Operator's consent (which will not be unreasonably withheld), unless such disclosure is required by applicable laws, and subject to paragraph 60. The Shareholders will make their own inquiries in relation to the matters in the Feasibility Study and the Operator will be under no liability to the Shareholders in respect of the contents of the Feasibility Study.

### **Production Decision and Mine Construction and Operation**

28. *Production Decision.* Each Shareholder is entitled to elect, upon Notice to the Operator within ninety (90) days after the date the Shareholder receives a Production Notice, to participate in the Costs required to construct the mine (the "**Construction Costs**") at its then Shareholding Interest, or some lesser amount (but at least 10%), in which latter case the Shareholding Interest of the Shareholders shall be adjusted so that each Shareholder has a Shareholding Interest equivalent to its level of participation. Each Shareholder that elects to contribute to Construction Costs shall pay its respective share of the Construction Costs and Operating Costs invoiced under paragraphs 32 and 35.
29. *Financing Mine Construction Costs.* After the Earn-In Period or unless otherwise agreed by the Shareholders, all Construction Costs on the Properties required by Orta Truva will be financed by Orta Truva way of third party debt, to the extent available on reasonable commercial terms, and, if so required by third-party project lenders, each of the Shareholders that has elected to participate in the Construction Costs must: (a) provide a completion guarantee, in form and substance acceptable to the other Shareholders and the third party project lenders; (b) provide the third party project lenders with a pledge over their shares in Orta Truva; and (c) Orta Truva will provide the third party project lenders with a pledge over its assets. The balance of any Construction Costs not covered by third-party debt will be funded by way the Shareholders *pro rata* to their Shareholding Interest by way of Shareholders' loans to Orta Truva or contributing equity or such other form of financing as agreed between the Shareholders, and failing agreement on or before the date that the Production Notice is delivered to each Shareholder, the balance of such Construction Costs will be financed by way of equity. The equity component of the financing will be funded in the same manner as a Program under paragraph 20.
30. *Shareholder Contributions to Construction Costs.* If the Board approves the issuing of a Production Notice, the Shareholders that elected to participate under paragraph 28 shall, individually and separately, provide their proportionate share of any Construction Costs that are not funded through third party project lenders pursuant to paragraph 29 within the later of (i) 120 days of the Production Notice and (ii) 90 days after completion of the project financing. For any Mine Construction Plan subsequent to or amended from the initial Mine Construction Plan that accompanies the Production Notice, the Shareholders that elected to participate shall, individually and separately, provide their proportionate share of any additional Construction Costs that are not funded through third party debt pursuant to paragraph 29 within 30 days of receipt of an invoice pursuant to paragraph 32.

31. *Mine Construction and Operations.* Any mine will be constructed substantially in accordance with the Mine Construction Plan delivered with the Production Notice, subject to the decision of the Board to approve reasonable variations in construction. Commencing with the completion date of mine construction, all mining operations shall be planned and conducted, all applicable Costs shall be incurred and all assets shall be acquired only pursuant to an approved Mine Operating Plan and all estimates, reports and statements which form part of the Mine Operating Plan shall be prepared and made on the basis of a calendar operating year and shall cover a forward-looking 12-month period ending December 31 of each year. It is intended that Mine Operating Plans will be designed so that, until completion of payback of third party mine construction debt, the mine is operated at production rates in substantial conformity with the Mine Construction Plan delivered with the Production Notice, subject to the unanimous decision of the Board to vary from such, and the Properties explored to delineate new ore reserves to achieve those production rates. At least once per calendar year, the Operator shall prepare and submit to the Technical Committee a draft Mine Operating Plan for consideration and comment. The Technical Committee shall convene a meeting to evaluate and comment upon the draft Mine Operating Plan and either (a) provide comments or suggested revisions to the draft Mine Operating Plan for amendment of the draft Plan by the Operator, or (b) recommend the draft Mine Operating Plan for consideration by the Board. The Operator and the Technical Committee shall have 14 days from the date of the initial Technical Committee meeting to consider and resolve any comments and make a recommendation to the Board. Thereupon, the Operator shall promptly deliver the Technical Committee recommendations or report as to unresolved issues to the Board, with a copy to the members of the Technical Committee. The Board shall convene a meeting to consider and, if deemed appropriate, approve the draft Mine Operating Plan with such changes as it considers appropriate. In the event of delay in the approval of a Mine Operating Plan, the Operator may carry out and fund all minimum expenditures required to keep tenure to the Property and any other legal commitments in good standing, which expenditures will be included in the Costs of the next approved Program.
32. *Mine Construction Invoices.* As soon as reasonably practicable following the approval of a Mine Construction Plan and then within thirty (30) days of the next ensuing calendar quarter, the Operator shall submit to each Shareholder which elected to contribute to the Mine Construction Plan then in effect an invoice, in Turkish lira, for such Shareholder's share of estimated Construction Costs as set forth in such Mine Construction Plan for each calendar month in the upcoming calendar quarter, to the extent that such Costs will not be funded by third-party debt pursuant to paragraph 29 or initial funding pursuant to paragraph 30. If such quarterly estimate needs to be adjusted, the Operator shall submit to each Shareholder which elected to contribute to the Mine Construction Plan then in effect an invoice, in Turkish lira, for such Shareholder's share of estimated Construction Costs, not otherwise provided for in the quarterly invoice, prior to the last day of each calendar month, or as required from time to time.
33. *Defaulting on Costs after delivery of Production Notice.* If the Shareholder who elects to participate in Construction Costs does not contribute the applicable amount in accordance with paragraph 30, Orta Truva may give Notice of default to that Shareholder (the

**“Construction Defaulting Shareholder”**). If the Construction Defaulting Shareholder does not pay its proportionate share within 14 days of the Notice of default, subject to unanimous Shareholder consent to a reasonable extension, Orta Truva shall give Notice thereof (the **“Final Construction Default Notice”**) to all of the Shareholders, including the Construction Defaulting Shareholders, in which case a Securityholder (as defined below) shall be entitled to enforce its security interest under paragraph 36. The amount in default shall bear interest calculated monthly not in advance from the 30th day after the date of the initial subscription Notice at a rate equivalent to the United States dollar LIBOR for a three-month period (**“LIBOR”**) plus 5% (the **“Defaulting Interest Rate”**) until paid. From the date of the Final Construction Default Notice, any non-defaulting Shareholder may, but shall not be obligated to do either of the following:

- (a) advance all, but not less than all, of the amount in default on behalf of the Construction Defaulting Shareholder (a **“Construction Cover Payment”**). Each and every Construction Cover Payment shall constitute a demand loan bearing interest at the Default Interest Rate from the date of the advance until re-paid (and for greater certainty, to the extent any such Construction Cover Payment has been made the amount in default shall no longer separately bear interest). If more than one Construction Cover Payment is made, the Construction Cover Payments shall be aggregated and the rights and remedies described herein pertaining to an individual Construction Cover Payment shall apply to the aggregated Construction Cover Payments. The failure to repay the Construction Cover Payment upon demand shall be a default in which case the non-defaulting Shareholder that advanced the Construction Cover Payment may seek all remedies available to it for a default of the loan; or
- (b) make a subscription for that number of OT Shares equal in value to the amount in default, in which case the Construction Defaulting Shareholder shall not be considered to be in default in respect of such amounts then due and shall conclusively and irrevocably be deemed to have elected not to subscribe to any of the new OT Shares in respect of such amounts then due and the number of new OT Shares will be issued solely to the subscribing Shareholder as they are paid for. The price of the OT shares subscribed for under this Paragraph 33(b) will be the par value for the OT Shares.

34. *Shareholder Contributions to Operating Costs.* If the Board approves a Mine Operating Plan each Shareholder shall, individually and separately, provide their proportionate share of any Costs incurred or to be incurred pursuant to a Mine Operating Plan (**“Operating Costs”**), which Costs are not and cannot be funded through revenue, third party debt or other sources of funding already available to the Operator for use on the Properties in accordance with the Mine Operating Plan, within 30 days of receipt of an invoice pursuant to paragraph 35.

35. *Mine Operating Invoices.* As soon as reasonably practicable following the approval of a Mine Operating Plan and then within thirty (30) days of the next ensuing calendar quarter, the Operator shall submit to each Shareholder an invoice, in Turkish lira, for

such Shareholder's share of estimated Operating Costs as set forth in such Mine Operating Plan for each calendar month in the upcoming calendar quarter, to the extent that such Costs will not be funded from the proceeds of operations or other source of funding already available to the Operator for use on the Properties in accordance with such Plan. If such quarterly estimate needs to be adjusted, the Operator shall submit to each Shareholder an invoice, in Turkish lira, for such Shareholder's share of estimated Operating Costs, not otherwise provided for in the quarterly invoice, prior to the last day of each calendar month, or as required from time to time. If a Shareholder does not contribute the applicable amount for Operating Costs in accordance with paragraph 34, Orta Truva may give Notice of default to that Shareholder (the "**Operating Defaulting Shareholder**") and together with a Construction Defaulting Shareholder, a "**Defaulting Shareholder**"). If the Operating Defaulting Shareholder does not pay its proportionate share within 14 days of the Notice of default, subject to unanimous Shareholder consent to a reasonable extension, Orta Truva shall give Notice thereof (the "**Final Operating Default Notice**") and together with the Final Construction Default Notice, a "**Final Notice**") to all of the Shareholders, including the Operating Defaulting Shareholders, in which case a Securityholder (as defined below) shall be entitled to enforce its security interest under paragraph 36. The amount in default shall bear interest calculated monthly not in advance from the 30th day after the date of the initial subscription Notice at the Defaulting Interest Rate until paid. From the date of the Final Operating Default Notice, any non-Operating Defaulting Shareholder may, but shall not be obligated to do either of the following:

- (a) advance all, but not less than all, of the amount in default on behalf of the Operating Defaulting Shareholder (an "**Operating Cover Payment**" and together with a Construction Cover Payment, a "**Cover Payment**"). Each and every Operating Cover Payment shall constitute a demand loan bearing interest at the Default Interest Rate from the date of the advance until re-paid (and for greater certainty, to the extent any such Operating Cover Payment has been made the amount in default shall no longer separately bear interest). If more than one Operating Cover Payment is made, the Operating Cover Payments shall be aggregated and the rights and remedies described herein pertaining to an individual Operating Cover Payment shall apply to the aggregated Operating Cover Payments. The failure to repay the Operating Cover Payment upon demand shall be a default in which case the non-defaulting Shareholder that advanced the Operating Cover Payment may seek all remedies available to it for a default of the loan; or
- (b) make a subscription for that number of OT Shares equal in value to the amount in default, in which case the Operating Defaulting Shareholder shall not be considered to be in default in respect of such amounts then due and shall conclusively and irrevocably be deemed to have elected not to subscribe to any of the new OT Shares in respect of such amounts then due and the number of new OT Shares will be issued solely to the subscribing Shareholder as they are paid for. The price of the OT shares subscribed for under this Paragraph 35(b) will be the par value for the OT Shares.

36. *Security for Payment.* To secure the due and punctual payment by each Shareholder of its proportionate share of Construction Costs and Operating Costs and, where applicable, interest payable under this Agreement and any other amounts owing to Orta Truva, all when the same shall become due and payable, each Shareholder grants a security interest to and in favour of each other Shareholder (in this paragraph 36, each a “**Securityholder**”), in the OT Shares of that Shareholder and any dividends payable to that Shareholder, subject to a priority in interest in favour of a third party lender pursuant to paragraphs 29 and 38. If a Defaulting Shareholder receives Final Default Notice, the security interest will be enforceable by a Securityholder against a Defaulting Shareholder’s OT Shares. The proceeds of the sale of the Defaulting Shareholder’s OT Shares shall, after deduction of:

- (a) the costs of enforcement of the security interest and the costs of sale, and
- (b) the amount of any Cover Payments made by a Securityholder,

be applied by the Securityholder in payment of the amount due from the Defaulting Shareholder and interest (as contemplated in paragraphs 33 and 35), and the balance remaining, if any, shall be paid to the Defaulting Shareholder.

37. *Deadlock.* If, during the period when any third party debt remain outstanding, the Board does not unanimously approve the first or any subsequent Mine Operating Plan, the Mine Operating Plan proposed by the Operator will prevail provided the budget does not exceed by more than 10% the budget forecast for that year in the Mine Construction Plan delivered with the Production Notice, or a forecast subsequently unanimously approved by the Board. Thereafter Mine Operating Plans will be decided by the Board, by a simple majority, on a calendar year basis taking into reasonable account the views of the Technical Committee and the Shareholders in respect of the Mine Operating Plans.

## General

38. *Encumbrances.* Except for financing Construction Costs or Operating Costs or with the consent of all Shareholders, no Shareholder shall pledge, charge or otherwise encumber its shareholding in Orta Truva. Solely in order to meet its respective contributions toward Construction Costs and Operating Costs, a participating Shareholder (in this paragraph 38, the “**Pledging Shareholder**”) may pledge, mortgage, charge or otherwise encumber its shares in Orta Truva provided that pledgee, mortgagee and/or holder of the charge or encumbrance undertakes in writing that:

- (a) its security shall be held subject to this Agreement;
- (b) its remedies under that security shall be limited to the sale of the whole (but only the whole) of the encumbering Shareholder's secured shares; and
- (c) its security in respect of the financing of Construction Costs or Operating Costs, as applicable, shall rank *pari passu* with any security that may be granted by the

Pledging Shareholder to the other Shareholder in respect of any Construction Costs or Operating Costs, as applicable, advanced by the other Shareholder to cover the Pledging Shareholder's elected portion of the Construction Costs or required contribution to Operating Costs.

39. *Sale of Product.* To the extent permitted by law and the contracts by which any project financing is perfected, each Shareholder may elect to purchase at market their *pro rata* share of any products produced by Orta Truva. Should such election not be made, Orta Truva may, if it has not hired its own employees who have the capacity to market the products, appoint the Operator to be a sales agent for that portion of products produced by Orta Truva on terms and conditions which are consistent with industry practice.
40. *Dividends.* Orta Truva shall declare and pay on an annual basis the maximum dividend or distribution possible, based on net tax profits, after making due provision for maintenance of adequate working capital, reserves required to be established in connection with mine construction project financing obligations and reserves established in accordance with applicable law and generally accepted accounting principles in respect of mine closure and reclamation costs; provided, however, that the Shareholders may agree to establish such other reasonable reserves as they deem prudent in the circumstances. For greater certainty, no Shareholder who is a Defaulting Shareholder (as defined in paragraph 34) shall be entitled to receive any amount in respect of dividends that are declared on or after the delivery of the Final Default Notice in respect of such Shareholder, but shall be entitled to receive any dividends which are declared prior to such Final Default Notice, but paid after such Final Default Notice.
41. *Reimbursement of Shareholders.* At any time, a Shareholder other than the Operator shall be reimbursed for all costs, expenses, charges and outlays, direct and indirect, made or incurred by such Shareholder on or in respect of the Properties so long as: (a) such costs, expenses, charges and/or outlays were made as specifically contemplated in an approved Program or Plan, or (b) consent of the Operator was obtained prior to the incursion of such costs, expenses, charges and/or outlays.

### **Termination**

42. *Termination of the Agreement.* This Agreement, and the obligations of the Shareholders under this Agreement, shall terminate upon the earlier to occur of:
- (a) the written agreement of the Shareholders to terminate this Agreement and the Shareholders' obligations hereunder;
  - (b) the acquisition by one Shareholder of 100% of the Shareholding Interest and there being no NSR Royalty payable to a party;
  - (c) the election of a Shareholder to withdraw from the Properties and relinquish its Shareholding Interest by giving Notice to the other Shareholder of the effective date

of withdrawal or surrender pursuant to paragraph 43 and the other Shareholders joining in such withdrawal or surrender as contemplated in paragraph 43(c); or

- (d) the termination of all rights and obligations of Orta Truva and/or the Shareholders to explore or mine or hold or rehabilitate the Properties and there are no continuing obligations not otherwise satisfied.

43. *Withdrawal or Surrender.* Any Shareholder may, at any time upon Notice, withdraw from the joint venture governed by this Agreement or surrender its entire Shareholding Interest in the Properties to the other Shareholders by giving those Shareholders Notice of surrender, which shall indicate a date for surrender not less than three months after the date on which the Notice is given, provided that:

- (a) such Notice of surrender must contain an undertaking that the surrendering Shareholder will, unless the Agreement is terminated as contemplated in paragraph 43(c):
  - (i) satisfy its proportionate share, based on its then Shareholding Interest of all obligations and liabilities which arose at any time prior to the date of surrender; and
  - (ii) pay, or make provision by way of bond or irrevocable documentary credit or some other security acceptable to the remaining Shareholders for payment of its proportionate share, based on its then Shareholding Interest, of the Costs of rehabilitating any mine site and of reclamation as if any applicable mining operations on the Properties had terminated permanently as at the date of surrender; and
  - (iii) hold in confidence, for a period of two years from date of surrender, all information and data which it acquired pursuant to this Agreement;
- (b) upon withdrawal or surrender of its entire Shareholding Interest as contemplated in this paragraph 43 and upon delivery of a release in writing, in form acceptable to counsel for the Shareholders releasing the other Parties from all claims and demands hereunder, the surrendering Shareholder shall be relieved of all obligations or liabilities with respect to the Properties in which it has withdrawn or surrendered its Shareholding Interest except for those which arose or accrued or were accruing due on or before the date of the surrender. However, the restrictions on acquisitions of interest within the Area of Interest in paragraph 54 shall survive any termination of this Agreement and apply to the surrendering Shareholder; and
- (c) a Shareholder to whom a Notice of withdrawal or surrender has been given as contemplated in this paragraph 43 may elect, by Notice within 90 days to the

Shareholder which first gave the Notice, to accept the withdrawal or surrender, in which case paragraphs 43(a) and 43(b) shall apply, or to join in the withdrawal or surrender. If all of the Shareholders join in the withdrawal or surrender, the joint venture related to the Properties shall be terminated in accordance with this Agreement.

44. *Disposition of Assets on Termination.* Promptly after the termination of this Agreement, other than pursuant to paragraph 43, Orta Truva shall take all action necessary to wind up its activities, and all costs and expenses incurred in connection with the termination of the Agreement shall be expenses chargeable to Orta Truva. The assets shall first be paid, applied, or distributed in satisfaction of all liabilities of Orta Truva to third parties and then to satisfy any debts, obligations or liabilities owed to the Shareholders. Before distributing any funds or assets to the Shareholders, Orta Truva shall segregate amounts which, in the Board's reasonable judgment, are necessary to discharge any continuing liabilities or to purchase for the account of Orta Truva, bonds or other security for the performance of such obligations. Thereafter, any remaining cash and all other assets shall be distributed (in undivided interests unless otherwise agreed) to the Shareholders according to their Shareholding Interests. Should existing funds or assets held by Orta Truva not be sufficient to discharge any liabilities of Orta Truva (including any continuing liabilities), the Shareholders shall contribute any required funds to Orta Truva in proportion to their Shareholding Interest immediately prior to the termination of this Agreement. No Shareholder shall receive a distribution of any interest in products or proceeds from the sale thereof if such Shareholder's Shareholding Interest therein has been terminated pursuant to this Agreement.
45. *Continuing Authority.* Until there are no longer any continuing obligations, the Board and the Operator, as applicable, shall have the power and authority to do all things on behalf of the Shareholders and Orta Truva which are reasonably necessary to: (a) wind up operations and satisfy all continuing obligations; 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.
46. *Continuing Liabilities.* Any actual or deemed withdrawal of a Shareholder or any reduction of a Shareholder's Shareholding Interest under this Agreement shall not relieve such Shareholder of its share of any liability, whether it accrues before or after such withdrawal or reduction, arising out of operations conducted prior to such withdrawal or reduction, including, without limitation, environmental liabilities or environmental compliance obligations. Such Shareholder's share of such liability shall be equal to its Shareholding Interest at the time that the events or omissions giving rise to such liability occurred. The increased Shareholding Interest accruing to a Shareholder as a result of the reduction of the other Shareholder's Shareholding Interest shall be free from royalties, liens or other encumbrances arising by, through or under such other Shareholder.

## Share Transfers and Issuances

47. *Right of First Refusal.* Each Shareholder's holdings of OT Shares will be subject to a right of first refusal in favour of the other Shareholder. Accordingly, if a Shareholder (the "**Recipient**") receives a binding written offer (an "**Offer**") which it is prepared to accept from a third party (or third parties acting in concert) (a "**Third Party**") for the acquisition from the Recipient of some or all of the Recipient's OT Shares (including any of its rights and obligations under this Agreement), and which Offer must include a covenant by such Third Party to deliver a Tag-Along Offer (as defined below) if such Tag-Along Offer is required pursuant to the terms of paragraph 48 hereof, such Recipient will offer to sell such OT Shares to the other Shareholder (the "**Offeree**") at the price and on the terms in the binding written offer from the Third Party, a copy of which the Recipient will have provided to the Offeree. If the Offeree waives such right of first refusal or does not accept within thirty (30) days, the Recipient shall, subject to compliance with paragraph 48 hereof, thereafter have sixty (60) days to dispose of those shares to the Third Party on the terms of the third party offer aforesaid.
48. *Tag-Along Rights.* Following compliance by the Recipient with the rights of first refusal in the preceding paragraph, the other Shareholder (the "**Tag-Along Party**") may, not later than twenty (20) business days after receipt of the Offer, deliver to the Recipient a Notice invoking the provisions of this paragraph 48 (a "**Tag-Along Demand**"). Any Tag-Along Demand shall be irrevocable and shall bind the Tag-Along Party to sell the same proportion of its OT Shares (the "**Tagging Interest**") to the Third Party as the Recipient is offering to sell of its OT Shares to the Third Party, in accordance with the provisions of this paragraph 48. Upon delivery of a Tag-Along Demand and before the Recipient and the Third Party complete any purchase and sale transaction, the Recipient shall cause the Third Party to deliver to the Tag-Along Party an offer in writing (the "**Tag-Along Offer**") to purchase from such Tag-Along Party, the Tagging Interest. The Tag-Along Offer shall contain only such terms and conditions as are identical to those upon which the Recipient proposes to sell to the Third Party such Recipient's OT Shares, provided that the offer price, which shall be specified in the Tag-Along Offer, shall be the same consideration as the consideration at which the Recipient proposes to sell its OT Shares to the Third Party. The closing date and other closing arrangements for the purchase and sale transaction to be completed between the Tag-Along Party and the Third Party as contemplated hereby shall be specified in the Tag-Along Offer and shall be the same as those specified between the Third Party and the Recipient. Should the Third Party fail to purchase any Tagging Interest as herein contemplated, then any transfer or purported transfer of the Recipient's OT Shares to the Third Party shall be null and void.
49. *Transfers to Affiliates.* No Shareholder shall require prior written consent of any other Shareholder, and nothing in paragraphs 47 or 48 shall apply, to a transfer of a Shareholder's rights under this Agreement and all or a portion of its OT Shares if such transfer is or is in connection with:
- (a) a transfer by a Shareholder to an Affiliate of all or any of its Shareholding Interest, provided that the transferee remains an Affiliate of the same ultimate parent for the

period that this Agreement is in effect or the written consent of the other Shareholder is obtained prior to the transferee ceasing to be an Affiliate;

- (b) the corporate acquisition of a Shareholder or the merger, consolidation, amalgamation or reorganization of a Shareholder by which the surviving entity shall possess substantially all of the issued shares, or all of the property rights and interests, and be subject to substantially all of the liabilities and obligations of the Shareholder;
- (c) the transfer of a controlling interest of a Shareholder or an Affiliate by an Affiliate to a Shareholder or to another Affiliate of the same ultimate parent; or
- (d) after the Earn-In Period, the grant by any Affiliate of either Shareholder of a security interest in the ownership interest the Affiliate holds in the Shareholder by mortgage, deed of trust, pledge, lien or other encumbrances.

For the purposes hereof, “**Affiliate**” of any person means, at the time such determination is being made, any other person controlling, controlled by or under common control with such first person, where “**control**” means the possession, directly or indirectly, of the power to direct the management and policies of a person whether through the ownership of voting securities or otherwise.

50. *Conditions of Transfer of OT Shares.* Any transfer of OT Shares by any Shareholder shall be subject to the following terms and conditions:

- (a) Any person (including an Affiliate) to whom a Shareholder transfers its OT Shares in accordance with the terms of this Agreement must, prior to completion of the transfer, execute and deliver a joinder agreement with the other Parties to this Agreement, in form and content acceptable to such Parties, which provides that the transferee will be bound by and have the benefit of the provisions of this Agreement;
- (b) No transfer of OT Shares permitted by this Agreement shall relieve the transferring Shareholder of its share of any liability, whether accruing before or after such transfer, which arises out of obligations under this Agreement arising prior to such transfer;
- (c) the transferring Shareholder and transferee shall bear all tax consequences of the transfer; and
- (d) except in connection with a transfer of OT Shares to an Affiliate that is permitted under paragraph 48 hereof, upon completion of the transfer (i) the acquiror’s Shareholding Interest, and (ii) if the transferring Shareholder continues to hold OT

Shares following the completion of such transfer, the transferor's Shareholding Interest, must be at least 10% of the issued and outstanding Shareholding Interests.

51. *Waiver of Pre-Emptive Rights on Share Issuances.* For any issuance of new OT Shares contemplated hereunder, each Shareholder shall (and shall cause its nominee shareholder in Orta Truva to) unconditionally and irrevocably waive its pre-emptive rights arising from its shareholdings in Orta Truva, for such OT Shares to be issued to the other Shareholder.
52. *Covenant of Orta Truva.* Orta Truva shall not allow, register or recognize any transfers of OT Shares made in violation of this Agreement.

### **General**

53. *Representations and Warranties.* Each Party represents and warrants to the other Parties that, as of the date hereof,
- (a) it has the right, power and authority to enter into this Agreement and that it has obtained all necessary internal corporate approvals, consents and authorizations to enter into this Agreement and complete the transactions contemplated in this Agreement;
  - (b) this Agreement has been duly executed and delivered by it and represents a legal, valid and binding obligation, enforceable against it, in accordance with its terms
  - (c) it is not a party to, bound or affected by or subject to any agreement, instrument, charter or by-law provision or applicable law that would be violated, contravened or breached by entering into or performing under this Agreement;
  - (d) the execution and delivery of this Agreement and the carrying out of or participation in the transactions contemplated herein will not give to any other person, after the giving of notice or otherwise, any right of first offer or refusal, or any right of termination, cancellation or acceleration in or with respect to any agreement or other instrument to which it is a party, is subject, or derives benefit, or by which any of the assets are bound or affected;
  - (e) this Agreement has been duly executed and delivered by it and is valid, binding and enforceable against it in accordance with its terms, except that: (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court; (iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and (iv) rights of indemnity and contribution hereunder may be limited under applicable laws; and

- (f) it is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and will not become an insolvent person as a result of entering into this Agreement or the joint venture governed hereby.

54. *Area of Interest.* During the term of this Agreement and for a period of two (2) years after termination of this Agreement, there shall be an area of interest around the Properties which will comprise any lands included within the area of land described in Schedule "A" (the "**Area of Interest**"). If any Party or any affiliate of any Party, directly or indirectly, stakes or acquires any surface or water rights or mineral properties within the Area of Interest, it will offer to have those rights or properties included in the Properties; it being agreed that the Shareholders shall consult each other Shareholder prior to making any acquisitions of lands held by third parties within the Area of Interest. If such staking or acquisition is done during the term of this Agreement, the other Shareholder shall have thirty (30) days to elect whether to accept that offer and pay its share of the costs of acquisition. If the offer is made within the two (2) year period after the termination of this Agreement, the other Shareholder shall have sixty (60) days to elect whether to accept that offer and the Parties agree that the Shareholders will consider, and where deemed appropriate, re-establish a joint venture with respect to the Properties, including the additional rights or mineral properties acquired within the Area of Interest, on substantially similar terms as the terms of this Agreement and with each Shareholder entitled to the Shareholding Interest held immediately prior to the termination of the Agreement. In either event, should the other Shareholder fail to elect and pay, the acquiring Shareholder may retain the rights or properties so acquired free of the terms of this Agreement. This Agreement shall not restrict the rights of a Shareholder to acquire mineral rights or other properties outside the Area of Interest.

55. *Indemnities.*

- (a) The other Shareholders and Orta Truva shall indemnify and save the Operator and its officers and directors harmless from and against any loss, liability, claim, demand, damage, expense, injury and death (including, without limiting the generality of the foregoing, legal fees) resulting from any acts or omissions of the Operator or its officers, employees or agents;
- (b) Notwithstanding the foregoing, the Operator shall not be indemnified nor held harmless by any of the Parties for any loss, liability, claim, demand, damage, expense, injury or death (including, without limiting the generality of the foregoing, legal fees) resulting from the negligence or willful misconduct of the Operator or its officers, employees or agents;
- (c) The provisions of paragraphs 5.2, 5.3 and 5.4 of the Services Agreement, in the form scheduled hereto, shall be deemed incorporated herein;
- (d) An act or omission of the Operator or its officers, employees or agents done or omitted to be done:

- (i) at the direction, or within the scope of the direction, or with the concurrence of the Board (including, without limitation, pursuant to the Services Agreement), or
- (ii) at the direction of any governmental authority, whether or not validity of the direction is challenged by the Board, or
- (iii) unilaterally and in good faith by the Operator to protect life, limb or property;

shall be deemed not to be negligence or willful misconduct provided that the Operator has otherwise performed its duties and obligations in a good and workmanlike manner consistent with sound industry practice;

- (e) The obligation of a Shareholder to indemnify and save the Operator harmless shall be in proportion to its respective Shareholding Interest as at the date that the loss, liability, claim, demand, damage, expense, injury or death occurred or arose;
- (f) The Shareholders and Orta Truva shall indemnify and save each other harmless from and against any loss, liability, claim, demand, damages, or expense (including, unless such Shareholders assume and pay the defense, legal fees), including claims in respect of any injury or death, arising out of or in connection with such Shareholders' or Orta Truva's negligence or willful misconduct; and
- (g) No Party shall be liable to any other Party in contract, tort or otherwise for special or consequential damages, including, without limiting the generality of the foregoing, loss of profits or revenues, incurred or suffered by the Indemnified Party.

56. *Dispute Resolution.* If any controversy, dispute, claim, question or difference (a "**Dispute**") arises with respect to this Agreement or its performance, enforcement, breach, termination or validity, the Shareholders will use their reasonable endeavours to settle the Dispute.

- (a) Except as is expressly provided in this Agreement, if the Shareholders do not reach a solution pursuant to the preceding paragraph within a period of thirty (30) Business Days following the first Notice of the Dispute by any Shareholder to the other, then the Dispute shall be referred to and finally settled by arbitration pursuant to the Commercial Arbitration Act (RSBC 1996 C. 55) and such arbitration shall be conducted under the rules of the British Columbia International Commercial Arbitration Centre in Vancouver, BC (the "**Rules**") in force at the Effective Date, which Rules are deemed to be incorporated by reference into this Agreement. There shall be one (1) arbitrator, appointed in accordance with the Rules, such arbitrator to be a person with expertise in the subject matter of the dispute. The seat of the arbitration shall be Vancouver, BC. The language of the arbitration shall be English and the arbitration will be governed by the substantive law of British Columbia and the federal laws of Canada applicable therein.

- (b) The arbitrator so appointed shall have the power to grant any legal or equitable remedy or relief available under law, including but not limited to injunctive relief, whether interim and/or final, and specific performance, and any measures ordered by the arbitrators may be specifically enforced by any court of competent jurisdiction. Each Shareholder retains the right to seek interim or provisional measures, including but not limited to injunctive relief, from any court of competent jurisdiction, and any such request shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate. For the avoidance of doubt, this paragraph is not intended to limit the powers of the court exercisable in support of arbitration proceedings pursuant to the Commercial Arbitration Act (RSBC 1996 C. 55).

57. *Notices.* All notices, payments (other than by wire transfer) and other required communications to the Parties shall be in writing (a “**Notice**”), and shall be delivered or sent by facsimile, addressed respectively as follows:

- (a) in the case of PLG, PII or Agola, at:

1900 – 1055 West Hastings Street  
 Vancouver, BC V6E 2E9  
 Attention: President & CEO  
 Fax: 604-632-4678

- (b) in the case of TMST, at:

Turan Güneş Bulv. No: 86/4  
 06550 Çankaya – Ankara, Turkey  
 Attention: General Manager  
 Fax: 90-312-440-9733

with a copy to:

Teck Resources Limited  
 3300 – 550 Burrard Street  
 Vancouver, BC V6C 0B3  
 Attention: Corporate Secretary  
 Fax: 604-699-4729

- (c) in the case of Orta Truva, at:

Turan Güneş Bulv. No: 86/4  
 06550 Çankaya – Ankara, Turkey  
 Attention: General Manager  
 Fax: 90-312-440-9733

- (d) in the case of the Technical Committee:

To the appointed member thereon of the other Shareholder c/o the other Shareholder as specified above.

- (e) in the case of the Operator, if it is not a Shareholder:

To the address, individual's attention, telephone and facsimile specified in the communication appointing such Operator.

Notice sent by courier will be deemed to have been received when it is delivered, and Notice sent by facsimile will be deemed to have been received on the day it is sent, if during regular business hours, and otherwise on the next business day.

58. *Confidentiality.* The terms of this Agreement and all information obtained in connection with the performance of this Agreement shall be the exclusive property of the Parties and, except as provided in paragraph 59, shall not be disclosed to any third party or the public without the prior written consent of the other Parties, which consent may be arbitrarily withheld. This provision shall apply for the duration of the term of this Agreement and for two (2) years following the date of any withdrawal of a Party pursuant to the terms of this Agreement. No Party need seek the consent of a holder of a NSR Royalty hereunder, but a Royalty Holder shall continue to be bound by the confidentiality provisions of this Agreement.

59. *Exceptions to Consent for Disclosure.* The consent required by paragraph 58 shall not apply to any disclosure:

- (a) to an Affiliate, advisor, consultant, contractor or subcontractor that has a legitimate business need to know; provided that such Affiliate, advisor, consultant or subcontractor is made aware of that such information is subject to the confidentiality provisions in this Agreement;
- (b) to any third party to whom the disclosing Party contemplates a transfer of all or any part of its interest in or to this Agreement, or all or any part of its Shareholding Interest, that has a legitimate business need to know;
- (c) to a governmental authority, including applicable regulatory body, or to the public which the disclosing Party believes in good faith is required by applicable law or the rules of any relevant stock exchange; or
- (d) to any actual or potential lender of project finance or underwriter or financier that has a legitimate business need to know; provided that such actual or potential lender, underwriter or financier is made aware of that such information is subject to the confidentiality provisions in this Agreement.

Prior to any disclosure pursuant to paragraph 59(b), such third party shall first agree in writing, in form which may be enforced by all Shareholders, to protect the confidential information from further disclosure and to observe the Area of Interest on the terms set

out in paragraph 54, all to the same extent as the Parties are obligated under this Agreement.

60. *Public Announcements.* Except as provided in paragraph 59(c) and subject to paragraph 61, each Party shall consult with the other Parties prior to making or issuing any public announcement, press release, or similar publicity or disclosure with respect to this Agreement or any agreement entered into contemporaneously herewith or with respect to any activities under this Agreement or any such other agreements. As early as practicable, and not less than two (2) days, before a Party makes any public announcement concerning this Agreement or activities undertaken pursuant hereto (unless the disclosing Party demonstrates that earlier disclosure is required by applicable law), such Party shall first give the other Party Notice of the intended announcement, including a copy of such proposed announcement, and the other Party shall have the right to comment on such announcement during such period. If no comments are provided by the other Party within such period, the proposed announcement will be deemed acceptable to all Parties and the disclosing Party shall be entitled to proceed with the proposed announcement. If a Party is required by applicable law to make earlier disclosure, it will provide a copy of such disclosure to the other Parties as soon as practicable thereafter.
61. *Use of Name.* Each Party shall obtain prior approval of the other Party before issuing any press release or public statement using the other Party's name or the name of any of its Affiliates, or the names of any of the officers, directors or employees of the other Party or its Affiliates. The foregoing prohibition shall not apply if disclosure of the other Party's, or its Affiliate's, name is required, in the opinion of counsel to a Party, by applicable public disclosure requirements; however in such a case the Party wishing to make the disclosure must provide a copy to the other Party for its information and comments using its best efforts to ensure it is provided at least two days prior to release. However, such approval shall not be considered certification by the other Party of the accuracy of the information in such press release, or a confirmation by it that the content of such press release complies with the rules, policies, by laws and disclosure standards of the applicable regulatory authorities or stock exchanges.
62. *No Partnership.* The rights and obligations of the Parties shall be several. Nothing contained in the Agreement shall be construed as creating a partnership or in imposing any fiduciary duty on any Party.
63. *Time of Essence.* Time will be of the essence in the performance of this Agreement.
64. *Governing Law.* This Agreement shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
65. *Currency.* Unless otherwise noted, references in this Agreement to dollar amounts refer to the legal currency of the United States of America.
66. *Further Assurances.* The Parties will do all such further acts and things and execute such further documents and agreements as may be necessary to give effect to the terms and

conditions of this Agreement and, if required in order to give effect to this Agreement, shall negotiate in good faith to make any amendments to this Agreement as may be necessary to comply with applicable Turkish law and to harmonize the constating documents (including, but not limited to, the articles of association) of Orta Truva with this Agreement.

67. *Language of Agreement.* This Agreement and the Services Agreement have been negotiated substantially in the English language. This Agreement and the Services Agreement, in their English versions, are the result of negotiations between the Parties and each Party has had this Agreement and the Services Agreement reviewed by its own independent legal, financial, tax and technical advisers. As such, this Agreement and the Services Agreement, in their English form, are the product of all of the Parties. To the maximum extent permitted by law, the English language version of this Agreement and the Services Agreement shall prevail over any Turkish translation, the Parties agreeing for themselves, their successors and assignees that this Agreement and the Services Agreement are not to be interpreted against a Party merely because they were prepared in English.
68. *Execution.* This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all which will constitute one and the same instrument. Delivery of an executed signature page to this Agreement by any Party by facsimile or other form of electronic transmission shall be as effective as delivery of a manually executed copy of this Agreement by such Party.

(continued on next page)

If the foregoing amended and restated agreement is in accordance with your understanding please indicate below by executing and returning a copy of this Agreement to us promptly.

Yours truly,

**PILOT GOLD INC.**

Per: /s/ John Wenger  
Name: **John Wenger**  
Title: Chief Financial Officer

Per: /s/ Patrick Reid  
Name: **Patrick Reid**  
Title: Vice President, Corporate Affairs

**PILOT INVESTMENTS INC.**

Per: /s/ Neil Gray  
Name: **Neil Gray**  
Title: Director

**AGOLA MADENCILIK LIMITED ŞİRKETİ**

Per: /s/ Mustafa Ender Özaydın  
Name: **Mustafa Ender Özaydın**  
Title: Manager

*Signature page of the Amended and Restated TV Tower Property Joint Venture Letter Agreement  
between Pilot Gold Inc., Pilot Investments Inc., Agola Madencilik Limited Şirketi,  
Teck Madencilik Sanayi Ticaret A.Ş. and Orta Truva Madencilik Sanayi ve Ticaret A.Ş.  
dated December 10, 2014*

Accepted and agreed as of December 10, 2014.

**TECK MADENCİLİK SANAYİ TİCARET A.Ş.**

Per: /s/ Uğur Kızıltepe  
Name: **Uğur Kızıltepe**  
Title: Director

Per: /s/ Alex Christopher  
Name: **Alex Christopher**  
Title: Chairman

**ORTA TRUVA MADENCİLİK SANAYİ VE TİCARET A.Ş.**

Per: /s/ Nurettin Ahi  
Name: **Nurettin Ahi**  
Title: Director

Per: /s/ Mustafa Ender Özaydın  
Name: **Mustafa Ender Özaydın**  
Title: Director

*Signature page of the Amended and Restated TV Tower Property Joint Venture Letter Agreement  
between Pilot Gold Inc., Pilot Investments Inc. Agola Madencilik Limited Şirketi,  
Teck Madencilik Sanayi Ticaret A.Ş. and Orta Truva Madencilik Sanayi ve Ticaret A.Ş.  
dated December 10, 2014*

This is **SCHEDULE A**  
to the Amended and Restated TV Tower Joint Venture Letter Agreement  
between **PILOT GOLD INC., PILOT INVESTMENTS INC., AGOLA MADENCILIK LIMITED ŞİRKETİ,**  
**TECK MADENCILIK SANAYI TICARET A.Ş.** and **ORTA TRUVA MADENCILIK SANAYI VE TICARET A.Ş.**  
dated December 10, 2014

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**TV TOWER PROPERTY AND OTHER LICENCES**

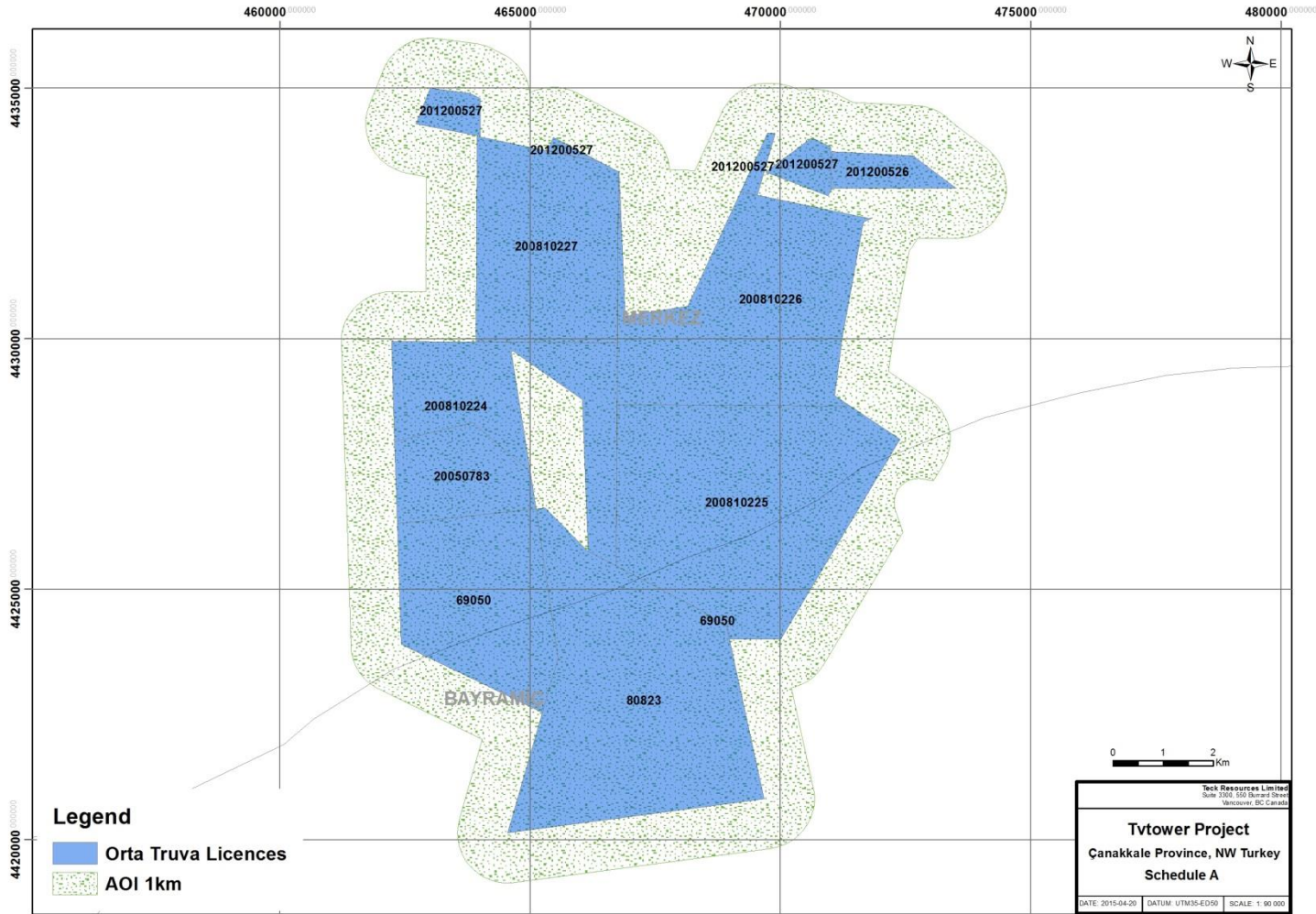
**Licences to the Property**

LICENCE_NO	ER	PROVINCE	AREA (ha)	DUE_DATE
69050	1048473	CANAKKALE	972.36	15.11.2021
80823	3278928	CANAKKALE	1,956.18	23.09.2019
20050783	3054704	CANAKKALE	422.43	12.07.2023
200810224	3185466	CANAKKALE	847.24	17.12.2023
200810225	3185469	CANAKKALE	1,935.85	28.11.2023
200810226	3185470	CANAKKALE	1,490.24	28.11.2023
200810227	3185468	CANAKKALE	1,076.14	26.12.2023
201200526	3275213	CANAKKALE	141.85	03.05.2015
201200527	3272987	CANAKKALE	222.85	03.05.2015

**\*Licences to be transferred to Biga NewCo**

LICENCE_NO	ER	PROVINCE	AREA (ha)	DUE_DATE
200710079	3146291	CANAKKALE	1,158.75	13.11.2012
201100989	3274813	CANAKKALE	1,263.59	13.11.2012
201200528	3270440	CANAKKALE	1,521.53	03.05.2015
200801693	3167540	CANAKKALE	94.79	07.03.2013

**Licences to the Property** - The Area of Interest is 1km from the outermost boundary of the licences as illustrated in the graphic below. The map is for illustrative purposes only and is not intended to have any legal effect.



**\*Licences to be transferred to Biga NewCo**



This is **SCHEDULE B**  
to the Amended and Restated TV Tower Joint Venture Letter Agreement  
between **PILOT GOLD INC., PILOT INVESTMENTS INC.,**  
**AGOLA MADENCILIK LIMITED ŞİRKETİ,**  
**TECK MADENCILIK SANAYI TICARET A.Ş.** and  
**ORTA TRUVA MADENCILIK SANAYI VE TICARET A.Ş.**  
dated December 10, 2014

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## NSR ROYALTY

The Net Smelter Returns royalty (the “**NSR Royalty**”) is the percentage royalty provided in the body of the letter agreement to which this Schedule is attached (the “**Agreement**”) and calculated and paid by Payor (as defined below) to the Royalty Holder (as defined below) in accordance with the following provisions:

### 1. **Definitions**

Unless otherwise set forth below, all capitalized terms used in this Schedule shall have the meaning ascribed to them in the Agreement.

“**Calendar Quarter**” means each three-month period ending March 31st, June 30th, September 30th and December 31st of each calendar year.

“**Mineral Price Quotation**” for a Product means the final sale price as quoted for the Product on the London Metals Exchange, as published in *Metals Week* or a similar publication. If publication of the final quotation on the London Metals Exchange shall be discontinued, the Parties shall select a comparable commodity quotation for purposes of calculating the Net Smelter Returns. If such selection has not been completed prior to the end of the calendar month following the month in which the quotation is discontinued, the average quotation for the calendar month in which the quotation is discontinued shall be used on an interim basis pending such selection.

“**Net Smelter Returns**” or “**NSR**” for a Calendar Quarter in respect of all of the Products means the sum of (i) for each of the Products, the average Mineral Price Quotation for the Product for a Calendar Quarter multiplied by the total number of appropriate units of measurement of the Product benefited by the Payor or credited by the smelter, refiner or other bona fide purchaser to the Payor during that Calendar Quarter; less (ii) the deductions, adjustments and credits set forth in Section 3 below.

“**Payor**” means the Party who produces and sells Products from the Property from which the Royalty Holder is entitled to a royalty as provided in the Agreement.

“**Products**” means all Subject Ores produced from the Property and prepared for sale under the Agreement.

“**Property**” shall mean all real property constituting the Properties (as defined in the Agreement) which at the effective date of the grant of the NSR Royalty either Party or any Affiliate of either Party owns, leases or is the registered or recorded holder of or has a contractual right, title or interest in and to or in respect of the mineral production from.

“**Royalty Holder**” means the Party or its successors or assigns that becomes entitled to a royalty, as provided in the Agreement.

“**Smelter Returns**” for a Calendar Quarter in respect of all of the Products means, for each of the Products, the average Mineral Price Quotation for the Product for a Calendar Quarter multiplied by the total number of appropriate units of measurement of the Product benefited by the Payor or credited by the smelter, refiner or other bona fide purchaser to the Payor during that Calendar Quarter.

“**Subject Ore**” means all ore mined by the Payor from the Property.

## 2. **Reservation Of Royalty**

The Payor shall pay and the Royalty Holder shall be entitled to receive as the royalty, 2.0% of Net Smelter Returns.

## 3. **NSR Deductions**

In calculating the royalty, the Payor shall be entitled to deduct from Smelter Returns the following costs, to the extent incurred and borne by the Payor:

- (a) all smelting, minting and refining costs, and treatment charges and penalties at the smelter or refinery including, but without being limited to, metal losses and penalties for impurities;
- (b) all costs of transporting the Products from the Property to a smelter, mint or refinery including, without restricting the generality of the foregoing, any and all costs of insurance in respect thereto;
- (c) all sampling, assaying and representation charges in connection with sampling and assaying carried out after the Products have left the Property; and
- (d) taxes levied by any government on the value of Products produced or sold, but excluding income taxes if such charges are actual costs payable out of the proceeds received from a bona fide purchaser or are shown as deductions therefrom.

## 4. **General Provisions**

### (a) Arm’s Length Provision

If smelting and/or refining are carried out in facilities owned or controlled by the Payor, charges, costs and penalties for such operations, including transportation, shall mean the amount that the Payor would have incurred if such operations were carried out at facilities not owned or controlled by the Payor then offering similar custom services for comparable products on prevailing terms.

### (b) Payment of the Royalty

All royalty or provisional royalty payments will be payable on or before the 30th day following each Calendar Quarter. Each such quarterly payment to the Royalty Holder shall be accompanied by a statement in reasonable detail showing the calculation of the payment. Each such quarterly payment shall be subject to adjustment as provided below in the next quarterly payment or when the final report for the year is issued as specified below.

(c) Provisional Payments

If any royalty becomes due and payable to the Royalty Holder prior to the Payor's final estimates of the total amount payable, then the Payor shall pay the Royalty Holder a provisional royalty payment using the Payor's then current estimates of the amount payable for Products produced during the Calendar Quarter.

(d) Adjustments

The following adjustments shall be taken into account in determining the royalty or provisional royalty payments and shall be specified in a statement which will accompany each payment:

- (i) Any adjustments to charges, costs, deductions or expenses imposed upon or given to the Payor but not taken into account in determining previous royalty payments;
- (ii) Any adjustments in the number of appropriate units of measurement of Products, benefited by the Payor, or previously credited to the Payor by a smelter, refiner or bona fide purchaser of Products shipped or sold by the Payor; and
- (iii) Any payments that have not otherwise been credited against previous royalty payments.

(e) Annual Final Report

Within ninety (90) days after the end of each calendar year, the Payor shall deliver or cause to be delivered to the Royalty Holder a final report for the year certified as being accurate by a responsible officer of the Payor showing in reasonable detail the calculation of the royalty due the Royalty Holder for the prior year and all adjustments to the quarterly or other periodic reports and payments for the year. With such final report, the Payor shall, if applicable, make such additional royalty payment as is required by the report. If such report indicates that the Royalty Holder has received more than it should have been paid in respect of the royalty due to the Royalty Holder, then the excess shall be deducted from the next payment obligation owed pursuant to the provisions of this Schedule or, in the event of a temporary or permanent cessation of production, the Royalty Holder shall repay the excess within fifteen (15) days of the annual report.

(f) Assignment by Payor

Upon any assignment, conveyance, termination or abandonment of the Property or any portion thereof, as the case may be, by the Payor, the Payor shall have no further obligation to the Royalty Holder in respect of the Property or such portion, as the case may be; provided that, in the case of assignment or conveyance, it shall be a condition of any assignment or conveyance that the assignee or transferee shall have agreed to assume the Payor's obligation to the Royalty Holder to pay the royalty in respect of that portion of the Property acquired by such assignee or transferee.

(g) Assignment by Royalty Holder

Notwithstanding anything to the contrary herein contained, if any part, but not all, of the right to receive the royalty is assigned by the Royalty Holder, it shall be a condition of such assignment that the assignee agrees with the Payor and all other Parties entitled to receive any part of the royalty as follows:

- (i) the amount of any royalty payable hereunder shall be settled only with the Royalty Holder or an authorized nominee (herein collectively called the “**Nominee**”) as designated by Notice to the Payor (such Notice to be executed by all Parties entitled to receive any part of the royalty), and such settlement shall be final and binding upon all interested parties and the Payor shall not be required to make any accounting to any person save such Nominee;
- (ii) payment of the royalty shall be made only to or to the order of the Nominee “In Trust” and such payment shall constitute a full and complete discharge to the Payor and it shall have no obligation to see to the distribution of any such payment;
- (iii) the Payor may settle disputes arising hereunder with the Nominee and such settlement shall be final and binding upon all interested parties;
- (iv) the Payor may rely upon any direction, advice or authorization signed by the Nominee and may act thereon as if the same was signed by all interested parties; and
- (v) the Payor shall not be required to deal with any person except the Nominee. Each interested party shall exercise all of their respective rights only through the Nominee and shall require each of their respective assignees to agree in writing to be bound by the provisions hereof.

(h) Records and Provision for Audit to Resolve Objections

All books and records used by the Payor to calculate the royalty due hereunder shall be kept in accordance with generally accepted accounting principles varied only by the specific provisions hereof. The Payor shall maintain up-to-date and complete records of the production of all Mineral Products. If treatment or smelting of Mineral Products is performed off the Property, accounts records, statements and returns relating to such treatment and smelting arrangements shall be maintained by the Payor. The Royalty Holder shall have the right at all reasonable times during normal business hours to inspect such accounts, records, statements and returns and make copies thereof at its own expense for the sole purpose of verifying the amount of the royalty.

All payments of the royalty made pursuant to the final report that is to be issued within ninety (90) days of the end of each calendar year shall be considered final and in full satisfaction of all obligations of the Payor with respect thereto, unless the Royalty Holder gives the Payor Notice describing and setting forth a specific objection to the calculation thereof within ninety (90) days after receipt by the Royalty Holder of the annual final report herein provided in Section (e). If the Royalty Holder objects to a particular quarterly statement delivered hereunder, the Royalty Holder shall, for a period of ninety (90) days after the Payor’s receipt of Notice of such objection, have the right, upon

reasonable Notice and at a reasonable time, to have the royalty payment in question audited by a firm of chartered accountants acceptable to the Royalty Holder and to the Payor (and if they cannot agree on a firm, by a firm of chartered accountants selected by the auditors of the Royalty Holder). If such audit determines that there has been a deficiency or an excess in the payment made to the Royalty Holder such deficiency or excess shall be resolved by adjusting the next quarterly payment due hereunder. The Royalty Holder shall pay all costs of such audit unless a deficiency of 2% or more of the amount due for the year under audit is determined to exist. The Payor shall pay the costs of such audit if a deficiency of 2% or more of the amount due for the year under audit is determined to exist. Failure on the part of the Royalty Holder to make claim on the Payor for adjustment in such 90-day period shall establish the correctness of the final report and preclude the filing of exceptions thereto or making of claims for adjustment thereon.

(i) Trading Activities

The Payor may, but need not, engage in forward sales, futures trading or commodity options trading, and other price hedging, price protection, and speculative arrangements (“**Trading Activities**”) which may involve the possible delivery of base or precious metals produced from the Property. The Parties acknowledge and agree that the Royalty Holder shall not be entitled to participate in the proceeds or be obligated to share in any losses generated by the Trading Activities.

(j) Commingling

Ores, concentrates and derivatives mined or retrieved from the Property may be commingled with ores, concentrates or derivatives mined or retrieved from other properties. All determinations required for calculation of Net Smelter Returns, including without limitation the amount of the metals contained in or recovered from ores, solutions, concentrates or derivatives mined or retrieved from the Property, the amount of the metals contained in or recovered from commingled ores, solutions, concentrates or derivatives, gross revenues from the sale of Products, and costs and expenses allocated to the Property or Products shall be made in accordance with prudent engineering, metallurgical and cost accounting practices.

This is **SCHEDULE C**  
to the Amended and Restated TV Tower Joint Venture Letter Agreement  
between **PILOT GOLD INC., PILOT INVESTMENTS INC.,**  
**AGOLA MADENCILIK LIMITED ŞİRKETİ,**  
**TECK MADENCILIK SANAYI TICARET A.Ş.** and  
**ORTA TRUVA MADENCILIK SANAYI VE TICARET A.Ş.**  
dated December 10, 2014

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**RESPONSIBILITIES OF THE OPERATOR AFTER THE EARN-IN PERIOD**

After the Earn-In Period, the Operator will be responsible for:

- (a) implementing Programs and Plans or otherwise developing the Properties, including the commissioning and preparation of a Feasibility Study, as approved by the Board;
- (b) satisfying all Costs necessary to carry out such Programs or Plans of development of the Properties, including all preparation as set out in a Plan (other than Exploration) for the removal and recovery of any products produced by Orta Truva such as the construction or installation of any improvements to be used for mining of such products, and all related environmental compliance obligations; and
- (c) the treatment, milling or processing, smelting, refining, beneficiation, commingling, disposition and sale of minerals produced from the Properties.
- (d) the hiring and termination of employees, attorneys, accountants, consultants and other agents of the Operator;
- (e) having possession of the Properties and conducting the work and exploration on the Properties and incurring the Costs; provided that each other Shareholder will have access to the Properties, at its sole cost and risk, at all reasonable times;
- (f) performing its obligations and conducting all operations in a workmanlike and commercially reasonable manner, in accordance with sound mining, engineering and processing methods and practices;
- (g) the construction, repair, commissioning or replacement of any facility, plant, improvement, road, building, capital improvement or infrastructure;
- (h) keeping the Properties free and clear from any liens or encumbrances relating to its work on the Properties;
- (i) providing the Shareholders with regular progress reports during periods of active exploration and with an annual summary of the work performed and the results obtained. The annual summary shall include copies of any drill records, assays,

maps, plans and all other relevant factual information and materials not previously delivered;

- (j) doing and filing such assessment work or other reports required to maintain tenure to the Properties in good standing;
- (k) maintaining accounts of its Costs in accordance with accounting principles generally accepted in the mining industry and in a manner consistent with the accounts it maintains for its other joint venture projects;
- (l) maintaining all required accounting and financial records in accordance with generally accepted accounting principles, including applicable international financial reporting standards (“**IFRS**”). If other than IFRS applies to Orta Truva, then the accounting and financial records will also be translated into IFRS compliant statements; and
- (m) obtaining and maintaining policies of insurance with respect to the assets and operations of Orta Truva (as the Board deems appropriate and desirable in its discretion).

This is **SCHEDULE D**  
to the Amended and Restated TV Tower Joint Venture Letter Agreement  
between **PILOT GOLD INC., PILOT INVESTMENTS INC.,**  
**AGOLA MADENCILIK LIMITED ŞİRKETİ,**  
**TECK MADENCILIK SANAYI TICARET A.Ş.** and  
**ORTA TRUVA MADENCILIK SANAYI VE TICARET A.Ş.**  
dated December 10, 2014

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**FORM OF TECHNICAL SERVICES AGREEMENT**

BETWEEN:

**Orta Truva Madencilik Şanayi ve Ticaret Anonim Şirketi**, a joint-stock company incorporated under the laws of the Republic of Turkey with an office at Turan Güneş Bulvarı No: 86/4 Çankaya/Ankara/Türkiye, 06550

(“**Orta Truva**”)

AND:

**Agola Madencilik Limited Şirketi**, a corporation incorporated under the laws of the Republic of Turkey with an office at Nilgün Sokak No:14/15 Çankaya/Ankara/Türkiye, 06680

(“**OpCo**”)

WHEREAS:

- (A) Pilot Gold Inc. (“**Pilot Gold**”), is a corporation incorporated under the laws of Canada, with an office at 1900 – 1055 West Hastings Street, Vancouver, BC, V6E 2E9;
- (B) Pilot Investments Inc. (“**PII**”), a corporation incorporated under the laws of the Cayman Islands, with a registered office at Harbour Place, 4th Floor, 103 South Church Street, Grand Cayman, Cayman Islands, an indirect subsidiary of Pilot Gold, holds a 40% shareholding interest in Orta Truva;
- (C) Teck Madencilik Sanayi Ticaret Anonim Şirketi (“**TMST**”), a corporation incorporated under the laws of the Republic of Turkey, with an office at Turan Güneş Bulvarı No: 86/4 Çankaya/Ankara/Türkiye, 06550, being an indirect subsidiary of Teck Resources Limited (“**Teck**”), holds a 60% shareholding interest in Orta Truva;
- (D) The TV Tower property (the “**Property**”) consists of 7,109 hectares of mineral tenures in eight contiguous licenses, and includes an Area of Interest;
- (E) Orta Truva is the legal and beneficial holder of title to the Property;
- (F) OpCo is a wholly owned subsidiary of PII;
- (G) By a joint venture letter agreement relating to the Property between Orta Truva, TMST, PII and Pilot Gold (the “**Joint Venture Letter Agreement**”) dated [•], 2012, PII obtained a right to acquire an additional 20% interest in Orta Truva; In order to exercise the right under the Joint Venture Letter Agreement, Opco must, in addition to satisfying other considerations set out in the Joint Venture Letter Agreement, incur a certain amount of Expenditures on the Property within time limits set out in the Joint Venture Letter Agreement; and
- (H) Orta Truva wishes to engage OpCo to provide certain contract services as set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that the parties agree as follows:

**1. INTERPRETATION**

1.1 In this Agreement, unless otherwise defined herein, words and expressions defined in the Joint Venture Letter Agreement are used herein with the same meanings.

1.2 References herein to recitals, parts and sections are, unless otherwise specified, references to the recitals, parts and sections of this Agreement.

**2. PROVISIONS RELATING TO MANAGER**

2.1 **OpCo as Manager** – Subject to the provisions governing the resignation and removal of the Manager in §0 and §0, Orta Truva hereby retains OpCo to act as the manager (“**Manager**”) of Programs.

2.2 **Status of Manager** – The status of the Manager shall be that of an independent contractor.

2.3 **Standard of Care** – The Manager will perform its duties and obligations under this Agreement in a prudent, workmanlike and commercially reasonable manner consistent with generally accepted Canadian and Turkish exploration, development, community relations, health and safety, mining, engineering and processing methods and practice standards.

2.4 **No Warranties** – The Manager does not represent or warrant that the Programs or any part thereof will achieve the results which were anticipated or projected by Orta Truva and the Manager shall have no liability to Orta Truva therefor.

2.5 **Term** – Unless terminated as contemplated in §0 or 0, this Agreement will remain in effect during the term of the Earn-In Period contemplated in the Joint Venture Letter Agreement.

2.6 **Voluntary Resignation** – During the Earn-In Period, the Manager may voluntarily resign from its duties and obligations hereunder at any time upon 30 days’ prior Notice to Orta Truva or such shorter period of notice as Orta Truva may accept.

2.7 **Removal of the Manager Upon Default** – If the Manager:

- a. fails to perform in a manner consistent with its duties and responsibilities pursuant to this Agreement; or
- b. defaults in performance of a material obligation hereunder; or
- c. is adjudged to be bankrupt or insolvent or a receiver is appointed for its business and assets;

that occurrence shall constitute a default by the Manager. Orta Truva may at any time after a default give to the Manager a Notice setting forth particulars of the Manager’s default. For any default under §a or b, the Manager will, promptly following receipt of Orta Truva’s Notice of default, commence to take all such measures required to remedy the default and shall remedy the same within 30 days. If:

- d. the Manager fails promptly to commence measures to remedy the default and to have remedied the same within the 30-day period; or

- e. any circumstance described in §c occurs;

that will constitute grounds for Orta Truva, upon Notice to the Manager, to immediately remove and terminate OpCo's appointment as Manager.

## **2.8 Deemed Removal of Manager Upon Termination of Option**

If the Acquisition of the additional 20% interest in Orta Truva is terminated prior to the Closing Date (as defined in the Joint Venture Letter Agreement), the Manager shall be removed as Manager immediately upon such termination and the termination of the Acquisition under the Joint Venture Letter Agreement shall result in the termination of OpCo's appointment as Manager hereunder.

## **2.9 Change in Manager**

If the Manager resigns or otherwise ceases to be Manager, the Manager shall forthwith deliver to the Operator appointed in accordance with the terms of the Joint Venture Letter Agreement custody of all Programs, and copies of all data, reports and other information prepared or maintained under this Agreement, as Manager, regarding the Property or Programs. Upon such transfer and delivery the Manager shall be released and discharged from all duties and obligations of the Manager hereunder except for the unsatisfied duties and obligations or any liabilities of the Manager and for which the Manager shall, notwithstanding its release and discharge, continue to remain liable.

## **3. MANAGER'S DUTIES**

**3.1 Manager's General Powers, Rights and Duties** – Subject to the terms of the Joint Venture Letter Agreement, the Manager will have full right, power and authority to do, in accordance with the standard of care set forth in §0 hereof, everything necessary or desirable in connection with the exploration of the Property including, without limiting the generality of the foregoing, the right, authority and duty to, in accordance with the terms of, and as approved under, the Joint Venture Letter Agreement:

- a. make all Expenditures on behalf of Orta Truva necessary to carry out the Work Commitments;
- b. create, develop, implement and carry out Programs and budgets, subject to applicable Board approvals;
- c. conduct all exploration, development, and other activities and operations of Orta Truva, including the commissioning and preparation of a Feasibility Study;
- d. obtain and maintain on behalf of Orta Truva permits, licences, approvals and authorizations, except to the extent that such matters are addressed by TMST's Senior Administrative Manager in Turkey on behalf of Orta Truva;
- e. maintaining compliance with applicable laws;
- f. to promptly notify the Shareholders of any allegations of a material violation of applicable law relating to the Programs or the Property of which it receives notice;
- g. to promptly advise the Shareholders of all litigation or prospective litigation to which the Manager may be a party as plaintiff or defendant;

- h. acquire, purchase or lease any right, title or interest in any new or additional assets, minerals or other real or personal property;
- i. hire and terminate employees, attorneys, accountants, consultants and other agents of the Manager and/or an affiliate of the Manager, as applicable;
- j. have possession of the Properties and the right to do work and explore the Properties and to incur Expenditures; provided that each Shareholder will have access to the Properties, at its sole cost and risk, at all reasonable times;
- k. construct, repair, commission or replace any facility, plant, improvement, road, building, capital improvement or infrastructure as reasonably necessary to carry out exploration programs;
- l. keep the Properties free and clear from any liens or encumbrances relating to its work on the Properties, except such as the Manager is contesting in good faith, and whenever required proceed with diligence to contest and discharge any such lien or charge which is filed;
- m. provide the Shareholders and Orta Truva with regular progress reports during periods of active exploration and with an annual summary of the work performed and the results obtained. The annual summary shall include copies of any drill records, assays, maps, plans and all other relevant factual information and materials not previously delivered;
- n. do and file such assessment work or other reports required to maintain tenure to the Property in good standing;
- o. subject to §0, provide the Shareholders with notice 30 days prior to any tenure due date, tax filing or other corporate filing required to maintain tenure to the Property in good standing confirming that such filing has been made;
- p. maintain accounts of its Expenditures on the Properties in accordance with accounting principles generally accepted in the mining industry and in a manner consistent with the accounts it maintains for its other joint venture projects; and
- q. maintain all required accounting and financial records in accordance with generally accepted accounting principles, including applicable international financial reporting standards (“IFRS”). If other than IFRS applies to Orta Truva, then the accounting and financial records will also be translated into IFRS compliant statements.

**3.2 Obligations of Orta Truva** – To the extent that it is necessary under applicable laws for Orta Truva, rather than the Manager, to be the entity which takes certain steps or actions that would otherwise be the obligations of the Manager hereunder (including, but not limited to, the execution or filing of any applications to obtain permits or licenses or the taking of any steps to keep the Property free and clear of all liens) Orta Truva, shall, to the extent necessary and upon reasonable and timely request by the Manager, take such steps or actions in lieu of the Manager; provided that the Manager will nevertheless be entitled to the charge contemplated in §0 (if any) in respect of any such steps and action so taken by Orta Truva. Without limiting the foregoing, Orta Truva shall promptly notify Agola and the Shareholders of any allegations of a material violation of applicable law relating to the Programs or the Property of which it receives notice. If and to the extent that (a) Orta Truva’s failure to perform any of its obligations under this Agreement or Orta Truva’s other default or act of prevention directly causes the Manager to suffer an actual delay to the achievement of the obligations of the Manager under this Agreement, or (b) Orta Truva’s failure directly increases the Manager’s costs of performing any of its

obligations under this Agreement, then, unless Orta Truva's failure to perform is caused by the Manager's personnel or the default of or a breach by the Manager of any of its obligations under this Agreement or a matter which is at the risk of the Manager under this Agreement, the Manager will be entitled to an amount accounted for such directly increased costs.

**3.3 Reports of Expenditures.** As such times and in such form as may be required of the Operator under the Joint Venture Letter Agreement, the Manager (as the Operator under the Joint Venture Letter Agreement) shall deliver to the Shareholders of Orta Truva a detailed breakdown of all Expenditures incurred by the Manager. The Manager shall also permit the Shareholders to inspect and take copies from any or all of the books and records of accounts maintained or caused to be maintained by the Manager pursuant hereto during normal business hours and to undertake periodic audits thereof in accordance with the terms of the Joint Venture Letter Agreement.

**3.4 Programs & Technical Meetings.** The Manager shall prepare and submit to the Technical Committee draft Programs and amendments to draft Programs in accordance with the terms of the Joint Venture Letter Agreement.

#### **4. MATERIALS, SUPPLIES, EQUIPMENT AND SUBCONTRACTORS**

**4.1 Materials, Supplies and Equipment** - The Manager may purchase or rent such materials, supplies and equipment at commercially competitive rates, as it considers reasonably necessary for the Program.

**4.2 Subcontractors** - Subject to §7 and this §4, the Manager may employ, engage and retain such subcontractors as the Manager determines are necessary or advisable to implement, manage and conduct the Programs.

**4.3 Contracting Party** - The Manager or any subcontractor engaged by the Manager from time to time in accordance with §4.2 will contract for the supply of material, supplies, equipment and services; provided however, that Orta Truva reserves the right to contract directly with suppliers of material, supplies equipment and services, subject to the Manager's prior written consent. If Orta Truva exercises such right, the Manager will nevertheless be entitled to the charge contemplated in §0 on the contracts referred to in this §0.

**4.4 Invoicing** - The Manager shall, on a monthly basis, collect all invoices for work (whether in respect of contracts signed by Orta Truva (to the extent permitted in §0) or the Manager), verify that the work was done and submit invoices to Orta Truva for payment. The Manager may submit to Orta Truva monthly, an invoice for Expenditures incurred and/or a cash call, based on a schedule of advances that has been mutually agreed to by Orta Truva and the Manager at the outset of each approved Program, for work carried out and paid by the Manager, including any amounts payable pursuant to §0 hereof. Each invoice, whether rendered by a subcontractor or by the Manager to Orta Truva, shall be accompanied by reasonable details of the amounts invoiced and the basis of calculation thereof. Orta Truva will pay or reimburse, as the case may be, invoices within 30 days after receipt.

**4.5 Compensation of the Manager** – As compensation for the services provided hereunder, Orta Truva shall pay to the Manager or to such other person(s) as the Manager may direct from time to time, the charge contemplated in §5(a)(ii) of Schedule E of the Joint Venture Letter Agreement on all Expenditures incurred by the Manager in connection with performance of the Manager's duties and obligations pursuant to this Agreement or pursuant to Programs from and after the date hereof. Any withholding taxes payable by Orta Truva on such compensation shall be paid or reimbursed, as applicable, by the Manager without cost to Orta Truva.

4.6 **Subcontractor Performance** - The Manager will be responsible for managing any subcontractor's performance. Notwithstanding any contracting, the Manager will be fully responsible for the work performed and for the performance of the Agreement and will be fully liable for the acts and omissions of the subcontractors as if they were of its own.

4.7 **Removal from Site** - Orta Truva, acting reasonably, may, without reimbursement or compensation to the Manager or its subcontractors, require the Manager to remove from site any of the Manager's employees or employees of any subcontractor who do not comply with §7 or §0 and, upon Notice from Orta Truva the Manager shall forthwith effect that removal.

4.8 **Enforcement of Contracts** - The Manager will enforce, as reasonably requested by Orta Truva, such contracts under which the Manager has purchased or rented materials, supplies or equipment or retained subcontractors or assist Orta Truva in enforcing the same or any contracts that Orta Truva has executed in connection therewith.

## 5. INDEMNIFICATION

5.1 **Indemnification by Orta Truva** – Orta Truva will indemnify and hold harmless the Manager, its directors, officers, agents and employees from and against any loss, liability, claim, demand, damage, expense, injury and death (including lawyer's fees, unless Orta Truva assumes and pays the defence using counsel agreed to in writing by the Manager) resulting from any act or omission of the Manager, its directors, officers, agents or employees in conducting Programs on the Property pursuant to this Agreement provided however that the Manager will not be indemnified or held harmless by Orta Truva for any loss, damage, claim or liability, resulting from the negligence or wilful misconduct of the Manager. No act or omission of the Manager, its directors, officers, agents or employees, will of itself be deemed negligence or wilful misconduct if it is done or omitted to be done:

- (a) at the direction, or within the scope of direction, or with the concurrence of, Orta Truva; or
- (b) at the direction of any governmental authority, whether or not the validity of the direction is challenged by Orta Truva; or
- (c) unilaterally in good faith to protect life, limb or property.

5.2 **Indemnification by Manager** – The Manager shall indemnify and hold harmless Orta Truva, its directors, officers, agents and employees from and against any loss, liability, claim, demand, damage, expense, injury and death (including lawyer's fees, unless the Manager assumes and pays the defence using counsel agreed to in writing by Orta Truva) for any claims made by third parties against Orta Truva arising out of the Manager's negligence or wilful misconduct in its duties hereunder. The Manager shall give prompt notice and details of the claim to Orta Truva.

5.3 **Limit on Liability** – No party hereto shall be liable to another party hereto in contract, tort or otherwise for special or consequential damages, including, without limiting the generality of the foregoing, loss of profits or revenues suffered by the indemnified party. However, the foregoing limitation does not apply to claims made by a third party against the indemnified party for its, the third party's, special or consequential damages.

5.4 **Procedure** – The party entitled to indemnification under this §5 (the "**Indemnified Party**") shall give the party which is obligated to indemnify the Indemnified Party under this §5 (the "**Indemnifying Party**") prompt Notice of any claim made pursuant to the foregoing indemnifications (as applicable, a "**Claim**"), including any inquiry or investigation by a government agency that the

Indemnified Party believes may lead to a Claim. The Indemnifying Party shall have the responsibility of contesting, defending, litigating, settling or satisfying any Claim made against the Indemnified Party, using counsel acceptable to the Indemnified Party, acting reasonably; failing which, the Indemnified Party shall have the right to be represented by separate counsel at the Indemnifying Party's risk and expense in connection with any such Claim and the Indemnifying Party shall be absolutely barred from any allegations or defenses relating to alleged defects, errors or omissions in such defense. Neither party shall settle any such Claim without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld.

## **6. INSURANCE**

6.1 The Manager shall, and it shall cause its subcontractors to, provide, maintain and pay for the following without cost to Orta Truva or charge to Expenditures:

- (a) comprehensive general liability insurance, having a limit of at least US\$5 million inclusive of any one claim, protecting Orta Truva, the Manager and their respective directors, officers, employees and agents, insuring against claims for personal injury (including death), and against claims for property damage any of which may arise directly or indirectly from the performance of the services under this Agreement;
- (b) automobile liability insurance, having a limit consistent with local practices as agreeable between the parties, and insuring against claims for bodily injury, including death, and for property damage arising out of the use of owned, leased and non-owned vehicles for the performance of any activities under this Agreement;
- (c) to provide health, accident, and unemployment insurance and worker's compensation coverage for itself and its employees, agents and subcontractors hired to perform the services hereunder;
- (d) the policy of insurance under §1.1(a) shall:
  - (i) add Orta Truva, Pilot, TMST and their affiliates and their directors, officers, employees, agents, subcontractors, licensees and invitees as additional insureds with respect to services provided by the manager or its subcontractors to Orta Truva or with respect to the Property; and
  - (ii) includes a clause that confirms that the insurer shall provide Orta Truva with at least 30 days' Notice of any material variation, cancellation or termination of the coverage;
- (e) promptly furnish a Certificate of Insurance to Orta Truva, as proof of insurance in accordance with §1.1(a); and
- (f) pay the full deductible amounts if there is a claim against any policy of insurance to be provided by OpCo under §0.

6.2 The Manager shall, to the extent not already provided by its subcontractors or service providers, provide, maintain and pay, which costs will constitute Expenditures, reasonable additional insurance coverage required for special or unique circumstances not otherwise covered by the insurance referred to in §0.

## 7. SAFETY

7.1 **Health and Safety Standards** - The Manager shall, and it shall cause its employees and contractors to, perform their activities under this Agreement in accordance with accepted health and safety standards expected from recognized international contractors experienced in providing the types of services contemplated in this Agreement and in compliance with Turkish health and safety laws. Without prejudice to the statutory provisions of the Turkish Mining Law No. 3213, the Manager shall be solely responsible for the health and safety relating to its activities, its employees and its subcontractors. Neither Orta Truva's provision of safety and health policies or regulations, its approval (or lack thereof) of any safety or health protocols or procedures of the Manager shall diminish or relieve the Manager from any such responsibilities or liabilities nor shift them in any manner upon Orta Truva.

7.2 **Trained Personnel** - The Manager represents that all the Manager's employees are, and the Manager will use commercially reasonable efforts to ensure that its subcontractors will be, trained and certified in health and safety requirements of the services to be performed, and such employees' or subcontractors' safety performance and knowledge shall be considered by the Manager as part of its procedure for determining the suitability of retaining the services of such employee or subcontractor.

7.3 **Response Plans and PPE** - Prior to commencing a Program, or as soon as is practicable thereafter, the Manager will provide Orta Truva with its protocol for an emergency response plan specific to the Property. The Manager shall ensure that all required personal protection equipment, such as, but not limited to, hard hats, steel toed boots and safety glasses are worn by all the Manager's employees and subcontractors while performing the services.

7.4 **Incident Reporting** - The Manager shall ensure that its employees and subcontractors shall immediately report any unsafe condition or health or safety incident to Orta Truva and its Shareholders and shall supply all information reasonably requested by Orta Truva in regards to any incident. Any lost time incident, medical aid or high potential incident must be reported to the Technical Committee or the Shareholders within 24 hours.

7.5 **Site Rep and Meetings** - In addition to the foregoing and to §0 of this Agreement, the Manager shall comply, and shall cause its employees and subcontractors and their employees who are assigned to the Program to comply, with applicable Turkish health safety and reclamation laws. In particular, the Manager shall:

- (a) designate a senior on-site person to be responsible for safety of the Manager's on-site employees and subcontractors; and
- (b) develop and carry out regular health and safety induction meetings for new employees and subcontractors to the site.

7.6 **Inspections** – Orta Truva and it's Shareholders shall have the right to do routine safety inspections of the camp and work sites, with or without advance notice.

## 8. COMMUNITY RELATIONS

8.1 The Manager, in consultation with the Technical Committee, shall negotiate and maintain such community or individual third party access agreements as reasonably necessary for the conduct of Programs, the costs associated therewith being considered to be Expenditures.

8.2 The Manager, in connection with the Technical Committee, shall use commercially reasonable efforts to maintain a positive relationship with the local community, hire and procure local supplies and labour and keep the local community informed of the Manager's and/or Orta Truva's current and proposed activities.

8.3 The Manager shall ensure that the Manager's and its employees and subcontractors engaged in the Program shall at all times maintain acceptable standards of behaviour and conduct while at work and while attending, residing or visiting the communities local to the Property, which shall include a zero tolerance policy for the presence and/or use of drugs or alcohol in the workplace.

## 9. ENVIRONMENT

9.1 The Manager shall not bring, nor permit its subcontractors to bring, contaminants onto the Property except as required by standard industry practice in connection with the services being performed and then to handle any such contaminants in a safe, lawful and proper manner. The Manager shall at all times retain any and all liabilities arising from the handling, treatment, storage, transportation or disposal of environmental or similar contaminants on or near the Property by it and its employees and subcontractors. If any materials are released by the Manager or its employees and subcontractors into the environment at, on or near the Property for which any removal or remedial action may be required pursuant to any law, regulation, order or governmental action, the Manager shall, at its sole cost and expense, remove or take remedial action with regard to any materials, whether in force before, as of, or after the date hereof, provided that:

- (a) no such removal or remedial action shall be taken except after reasonable advance notice has been given to Orta Truva and its Shareholders, except if there is a risk to health or safety or an order for immediate removal or remediation has been given by a government official or agency; and
- (b) any such removal or remedial action shall be undertaken in a manner so as to minimize any impact to the Property and its surrounding area.

## 10. TAXES

10.1 The fees or charges contemplated in this Agreement are exclusive from Value Added Tax or any other similar tax (collectively, "**Taxes**") which may apply in the future on the type of transactions contemplated in this Agreement. As a result, the Manager shall, where Taxes are applicable, include the Taxes separately, on the invoices to be issued by it under this Agreement. For the avoidance of doubt, those Taxes that are not immediately or in due course, recoverable by the Manager shall be a charge to Expenditures.

## 11. NOTICE

11.1 Any notice ("**Notice**"), direction or other instrument given hereunder shall be in writing and will, if delivered, be deemed to have been given and received on the Business Day following the day it was delivered and, if sent by facsimile during normal business hours 9:00 a.m. - 5:00 p.m. local time of the place of receipt), be deemed to have been given or received on the Business Day following the day it was so sent, or in the case of facsimile sent outside normal business hours, on the next following business day. Any Notice to be given under this Agreement will be addressed as follows:

If to **Orta Truva:**

**Orta Truva Madencilik Şanayi ve Ticaret Anonim Şirketi**  
Turan Güneş Bulvarı  
No: 86/4  
Çankaya, Ankara, Türkiye, 06550  
Attention: Nurettin Ahi  
Fax: +90 (312) 440 9733

with a copy to Teck Resources Limited at:

**Teck Resources Limited**  
3300 - 550 Burrard Street  
Vancouver, BC, Canada V6C 0B3  
Attention: Corporate Secretary  
Fax: +1 (604) 699-4729

and a copy to Pilot Gold at:

**Pilot Gold Inc.**  
1650 – 1055 West Hastings Street  
Vancouver, BC, Canada V6E 2E9  
Attention: President & CEO  
Fax: +1 (604) 632 4678

and a copy to TMST at:

**Teck Madencilik Sanayi Ticaret Anonim Şirketi**  
Turan Güneş Bulv. No: 86/4  
06550 Çankaya – Ankara, Turkey  
Attention: General Manager  
Fax: 90-312-440-9733

If to the **Manager** at:

**Agola Madencilik Limited Şirketi**  
Nilgün Sokak No:14/15  
Çankaya/Ankara/Türkiye, 06680  
Attention: M. Ender Özaydin  
Fax: +90 (312) 468 23 44

with a copy to Pilot Gold Inc. at:

**Pilot Gold Inc.**  
1650 – 1055 West Hastings Street  
Vancouver, BC, Canada V6E 2E9  
Attention: President & CEO  
Fax: +1 (604) 632 4678

11.2 Any party may at any time give to the other Notice of any change of address of the party giving such Notice and from and after the giving of such Notice, the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving Notice hereunder.

## 12. GOVERNING LAW AND ARBITRATION

12.1 This Agreement shall be governed by the laws of British Columbia.

12.2 If any controversy, dispute, claim, question or difference (a “Dispute”) arises with respect to this Agreement or its performance, enforcement, breach, termination or validity, the parties will use their reasonable endeavours to settle the Dispute.

12.3 Except as is expressly provided in this Agreement, if the parties, or the applicable Shareholders on behalf of the parties, do not reach a solution pursuant to the preceding paragraph within a period of thirty (30) business days following the first notice of the Dispute by any party to the other, then the Dispute shall be referred to and finally settled by arbitration pursuant to the Commercial Arbitration Act (RSBC 1996 C. 55) and such arbitration shall be conducted under the rules of the British Columbia International Commercial Arbitration Centre in Vancouver, BC. (the “**Rules**”) in force at the date of this Agreement, which Rules are deemed to be incorporated by reference into this Agreement. There shall be one (1) arbitrator, appointed in accordance with the Rules, such arbitrator to be a person with expertise in the subject matter of the dispute. The seat of the arbitration shall be Vancouver, BC. The language of the arbitration shall be English and the arbitration will be governed by the substantive law of British Columbia and the federal laws of Canada applicable therein.

12.4 The arbitrator so appointed shall have the power to grant any legal or equitable remedy or relief available under law, including but not limited to injunctive relief, whether interim and/or final, and specific performance, and any measures ordered by the arbitrators may be specifically enforced by any court of competent jurisdiction. Each party retains the right to seek interim or provisional measures, including but not limited to injunctive relief, from any court of competent jurisdiction, and any such request shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate. For the avoidance of doubt, this paragraph is not intended to limit the powers of the court exercisable in support of arbitration proceedings pursuant to the Commercial Arbitration Act (RSBC 1996 C. 55).

## 13. INTELLECTUAL PROPERTY

13.1 “**Intellectual Property**” means proprietary designs, drawings, specifications, plans, computer software, inventions, whether or not patented or patentable, know-how and other similar proprietary intellectual property.

13.2 All Intellectual Property used in connection with the work hereunder and owned by the Manager or developed by applying, in whole or in part, Intellectual Property owned by the Manager shall remain the property of the Manager. Orta Truva shall acquire no right, title or interest in that Intellectual Property.

13.3 All Intellectual Property used in connection with the work hereunder and developed in its entirety without applying Intellectual Property owned by the Manager or by a third-party and used by the Manager under lease, license or other contract, shall become the property of Orta Truva. If and to the extent that any Intellectual Property becomes the property of Orta Truva pursuant to this §13.3, Orta Truva hereby grants to the Manager a non-exclusive, perpetual and royalty free licence to use that Intellectual Property for projects in which the Manager has a majority beneficial interest. It is understood that the Manager shall not be entitled to sell or sublicense that Intellectual Property unless it obtains Orta Truva’s prior written consent.

13.4 Notwithstanding any termination of the Agreement, the provisions of §13 shall continue in full force and effect thereafter.

## 14. FORCE MAJEURE

The Manager shall not be in default of this Agreement or liable for damages resulting from delay in performance of any of its obligations hereunder, provided that such delay arises out of causes beyond the Manager's reasonable control and without its fault or negligence, including but not limited to, acts of God or the public enemy, acts of any government in either its sovereign or contractual capacity, fires, floods, accidents, or other casualties, epidemics, quarantine restrictions, strikes, labor disputes, freight embargoes, unusually severe weather, inability to obtain necessary specialized labour or materials or licenses that are required to perform unique works, transportation or utilities (e.g. electricity, natural gas, oil, water, environmental permits), compliance with orders, priorities or requests of any government agency including but not limited to Turkey General Directorate of Mining Affairs, Ministry of Environment, failure of suppliers or subcontractors to meet delivery schedules if such failure results from causes similar to those set forth above or to any other cause, whether similar to those enumerated or not, and which is beyond the control of the Manager. In the event of any such delay, the date of performance or delivery shall be extended for a period of time as may be reasonably necessary to compensate for any such delay.

## 15. GENERAL

15.1 **Limitation of Agreement** – Except as expressly provided in the Joint Venture Letter Agreement, the Manager shall not have authority to act for or to assume any obligation or liability on behalf of Orta Truva except such authority as may be specifically conferred on the Manager pursuant to the operation of this Agreement and the Joint Venture Letter Agreement.

15.2 **Competitive Activities** – Nothing contained in this Agreement or the Joint Venture Letter Agreement shall prevent or restrict the Manager or Orta Truva from engaging on its own account, either alone or in association with others, in exploration for and mining and marketing of copper, gold and other minerals on properties not governed by either this Agreement or the Joint Venture Letter Agreement.

15.3 **Assignment** - The Manager shall not assign the Agreement except, the Manager may assign or transfer any or all rights granted hereunder to any of its successors or assigns so long as such successors or assigns are affiliates of Pilot Gold and the Manager has obtained prior consent from the Shareholders, such consent not to be unreasonably withheld.

15.4 **Enurement** – This Agreement shall enure to the benefit of the parties hereto, their successors and their respective permitted assigns. This Agreement is not intended to, nor shall it, enure for the benefit of any third party, including, without limitation, any party to or beneficiary of any other agreement, instrument or undertaking for the time being related to the Property or the provision of financing in connection with the operations thereon.

15.5 **Further Assurances** – Each of the parties shall from time to time execute, deliver and do all further instruments, acts, matters and things as may reasonably be necessary in order to confirm or give effect to the intent and purposes of this Agreement.

15.6 **Waiver** – No delay or failure by any party in exercising any rights hereunder shall impair any such right or any remedy of the parties so delaying or failing, nor shall it be construed to be a waiver of any continuing breach or default hereunder or any acquiescence therein or of any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default hereunder be deemed a waiver of any other breach or default theretofore or thereafter occurring.

15.7 **Severability** – If it is held by a court of competent jurisdiction that any part of this Agreement is void, voidable, illegal or unenforceable or that this Agreement would be void, voidable, illegal or unenforceable unless any part of this Agreement were severed herefrom, such part shall be severable from and shall not affect the continued operation of the rest of this Agreement.

15.8 **Modification** – This Agreement may be amended only by written instrument signed by the parties hereto or their permitted assigns.

15.9 **Language** – This Agreement has been negotiated substantially in the English language. This Agreement, in its English version, is the result of negotiations between the parties and/or their affiliates and each party has had this Agreement reviewed by its own independent legal, financial, tax and technical advisers. As such, this Agreement, in its English form, is the product of all of the Parties. This Agreement has been prepared as one document in a dual English and Turkish translated form. In the case of any conflict between the English and Turkish versions of this Agreement, to the maximum extent permitted by Turkish law, the English version will prevail over any Turkish translation and such English version will be deemed the governing version. The translation of an English version into a Turkish version that may be signed by the parties to that agreement shall not be considered a certified true translation unless expressly agreed between the parties to this Agreement.

15.10 **References** – Unless otherwise stated, a reference to an Article means an Article of this Agreement and the symbol “§” followed by a number or some combination of numbers and letters refers to the provision of this Agreement so designated and the symbol “§” followed by a letter within a provision refers to a clause within such provision. A reference to “this Agreement”, “hereof”, “hereunder”, “herein” or words of similar meaning, means this agreement including the schedules hereto, together with any amendments thereof. Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the same meaning given to them in the Joint Venture Letter Agreement.

15.11 **Captions** – The captions in this Agreement have been provided for ease of reference and shall be disregarded in interpreting this Agreement.

15.12 **Counterparts and Facsimiles** – This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and such counterparts shall together constitute one agreement.

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the day and year first above written.

**ORTA TRUVA MADENCILIK ŞANAYI VE TICARET A.S.**

Per: \_\_\_\_\_  
Authorized Signatory

**AGOLA MADENCILIK LIMITED ŞİRKETİ**

Per: \_\_\_\_\_  
Authorized Signatory

This is **SCHEDULE E**  
to the Amended and Restated TV Tower Joint Venture Letter Agreement  
between **PILOT GOLD INC., PILOT INVESTMENTS INC.,**  
**AGOLA MADENCILIK LIMITED ŞİRKETİ,**  
**TECK MADENCILIK SANAYI TICARET A.Ş.** and  
**ORTA TRUVA MADENCILIK SANAYI VE TICARET A.Ş.**  
dated December 10, 2014

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## **EARN-IN ACQUISITION**

### **Interpretation**

This Schedule “E” forms an integral part of the letter agreement among Pilot Gold Inc., Pilot Investments Inc., Teck Madencilik Sanayi Ticaret A.S. and Orta Truva Madencilik Sanayi ve Ticaret A.S. dated June 20, 2012 to which this Schedule “E” appends (the “**Agreement**”). All capitalized terms used in this Schedule “E” shall have the meanings ascribed to such terms in the Agreement.

During the Earn-In Period (as defined below), the terms of this Schedule “E” to the Agreement shall supplement or supersede, as applicable, the terms of the Agreement and in the event of any conflict between the Agreement and the terms in this Schedule “E”, Schedule “E” shall govern.

References in this Schedule “E” to paragraphs or sections refer to such paragraphs or sections of this Schedule “E” unless otherwise indicated and the use of terms such as “herein” and “hereof” refer to this Schedule “E” unless otherwise indicated.

### **Additional Interest Acquisition**

1. *Agreement for Purchase and Sale of Additional Interest.* On and subject to the terms set out in this Schedule “E” to the Agreement, TMST agrees to sell and PII agrees to buy OT Shares representing 20% of the OT Shares outstanding as at the Closing Date (as defined below) (the “**Additional Interest**”), with the effect that PII will, upon the Closing Date in accordance with the terms hereof, increase its Shareholding Interest from 40% to 60% and TMST will reduce its Shareholding Interest from 60% to 40% (the “**Acquisition**”). Prior to the Closing Date, Orta Truva shall cause the Other Licenses to be transferred out of Orta Truva.
2. *Toronto Stock Exchange (“TSX”) Approval.* The provisions relating to the acquisition by PII of the Additional Interest contemplated in this Agreement is conditional upon receipt by PLG of approval from the TSX for the issuance of the Share Consideration. PLG will use its commercially reasonable efforts to obtain such approval as soon as practicable after the Effective Date and, in any event, shall obtain such approval within thirty (30) days of the Effective Date, failing which approval this Schedule “E” and paragraph 3 of the Agreement shall be of no further force or effect but the Agreement shall survive.

3. *Purchase Price.* The consideration payable to TMST by or on behalf of PII for the acquisition of the Additional Interest shall be comprised of (1) the issuance of the Share Consideration, (2) the delivery of the Promissory Note, and (3) the payment of the Additional Consideration (collectively, the “**Purchase Price**”) as set forth below. PLG or PII may accelerate any or all of the obligations comprising the Purchase Price contemplated in this paragraph 3.
- (a) The “**Share Consideration**” will be comprised of an aggregate of 6,550,000 common shares in the capital of PLG (the “**Pilot Shares**”) and 3,000,000 common share purchase warrants to acquire Pilot Shares (the “**Pilot Warrants**”).
- i. Within five (5) business days of receipt of TSX approval pursuant to paragraph 2, PLG will issue, or an affiliate of PLG will transfer, 3,275,000 Pilot Shares and 3,000,000 Pilot Warrants to, or to the direction of, TMST. Each Pilot Warrant shall be exercisable for a period of three years from the date of issue and shall be exercisable for one common share of PLG at an exercise price of \$3.00 per share.
- ii. If PII gives Notice to TMST on or prior to the first anniversary of the Effective Date (or such earlier date as applicable, if the satisfaction of the Work Commitments have been accelerated pursuant to paragraph 4(c)) of PII’s election to maintain in good standing the right to acquire the Additional Interest (an “**Election Notice**”), PLG will issue, or an affiliate of PLG will transfer, 1,637,500 Pilot Shares to, or to the direction of, TMST.
- iii. If PII gives an Election Notice to TMST on or prior to the second anniversary of the Effective Date (or such earlier date as applicable, if the satisfaction of the Work Commitments have been accelerated pursuant to paragraph 4(c)), PLG will issue, or an affiliate of PLG will transfer, 1,637,500 Pilot Shares to, or to the direction of, TMST.
- (b) The “**Promissory Note**” shall be issued as at the Effective Date and shall be a promissory note in favour of TMST, evidencing an advance in the aggregate amount of \$12,600,000, with such aggregate principal amount evidenced thereby to be set-off against the Earn-In Advance (as defined below) in accordance with paragraph 10(b). The advance shall be denominated in U.S. dollars.
- (c) The “**Additional Consideration**” will be a cash payment equal to \$20.00 per Payable Ounce payable forthwith upon completion of the Technical Report (as defined below). For the purposes hereof, “**Payable Ounces**” means 20% of the ounces of gold (excluding gold equivalent ounces, the “**Au ounces**”) in excess of seven hundred and fifty thousand Au ounces at the Properties that have been defined as compliant Measured, Indicated or Inferred resources in a technical report (the “**Technical Report**”) prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). The Technical Report, prepared in connection with the calculation of the Additional Consideration, is to be prepared concurrently with the completion of, and incorporating the results from, all Work Commitments (as defined below).

4. *Conditions Precedent.* The Acquisition of the Additional Interest is conditional on (1) satisfaction of the Purchase Price, and (2) the completion of the Work Commitments (as defined below) (the “**Conditions Precedent**”) during the period commencing on the Effective Date and ending on the earliest of the Completion Date and the date of termination of the Acquisition in accordance with paragraph 17 (the “**Earn-In Period**”).
- (a) “**Work Commitments**” will be comprised of an aggregate of \$21,000,000 in Expenditures on the Properties (which Expenditures will, for the avoidance of doubt, be funded through amounts advanced by PII, or its affiliate, to Orta Truva pursuant to paragraph 7 and through the Earn-In Advance, as such term is defined in paragraph 8), as follows:
- i. \$5,000,000 in Expenditures shall be incurred by or on behalf of Orta Truva in the first year from the Effective Date (ie. prior to the first anniversary of the Effective Date), subject to adjustment for Force Majeure or in accordance with paragraph 4(c), provided that all Expenditures incurred by or on behalf of Orta Truva by PII or its affiliates between January 1, 2012 and the Effective Date shall be counted towards the \$5,000,000 in Expenditures to be incurred in the first year from the Effective Date;
  - ii. At the option of PII and in order to maintain the right to acquire the Additional Interest pursuant to the Acquisition in good standing, a further \$7,000,000 in Expenditures shall be incurred by or on behalf of Orta Truva in the second year from the Effective Date (ie. prior to the second anniversary of the Effective Date, for a total of \$12,000,000 in aggregate Expenditures to be incurred between the Effective Date and the second anniversary of the Effective Date), subject to adjustment for Force Majeure or in accordance with paragraph 4(c); and
  - iii. At the option of PII and in order to maintain the right to acquire the Additional Interest pursuant to the Acquisition in good standing, a further \$9,000,000 in Expenditures shall be incurred by or on behalf of Orta Truva in the third year from the Effective Date (ie. prior to the third anniversary of the Effective Date, for a total of \$21,000,000 in aggregate Expenditures to be incurred between the Effective Date and the third anniversary of the Effective Date), subject to adjustment for Force Majeure or in accordance with paragraph 4(c).
- (b) In circumstances where the Operator (as defined below) is prevented from incurring (through Orta Truva) any Work Commitments on or before the dates contemplated in paragraph 4(a) due to a Force Majeure (as defined below), then the Operator shall immediately give Orta Truva Notice of the Force Majeure (and Orta Truva, in turn, shall immediately provide Notice to the Shareholders) and thereafter such dates shall be deemed for all purposes under this Agreement to have been extended by the period of time during which the Force Majeure remains in effect provided that the Operator takes all reasonable steps to remove or remedy the cause of the prevention or delay insofar as it is reasonably able to do so and as soon as possible. During a period of Force Majeure, the Operator shall provide regular reports to Orta Truva.

“**Force Majeure**” means an event beyond the reasonable control of Orta Truva or the Operator, each acting in a manner consistent with industry practice, whether or not foreseeable, that prevents or delays it from making the Expenditures or conducting the activities contemplated by this Agreement, including, but not limited to, acts of God, war, insurrection, action or inaction of governmental agencies, material financial occurrence of national or international consequence, inability to obtain any environmental, operating or other permits or approvals, authorizations or consents, inability to obtain equipment or personnel, issues of public safety and security, lockouts, strikes, blockages, interference of third party interest groups, interruptions or delays in transportation or power supplies, and inclement weather conditions.

- (c) PLG or PII may accelerate any or all of the obligations comprising the Work Commitments contemplated in paragraph 4(a).
- (d) Each of PLG and PII shall use reasonable commercial efforts to complete the Work Commitment in accordance with paragraph 4(a). However, should there be a shortfall in such Work Commitments, but PLG and/or PII intends to maintain the Acquisition in good standing, each of PLG and PII shall have the right, at its sole election, to pay to Orta Truva cash in lieu of incurring up to 25% of the Work Commitments in any twelve month period from the Effective Date in which event PII shall be deemed to have completed the Work Commitments in the same amount as any such cash payment, provided that:
  - i. any cash payments in lieu of incurring the Work Commitments described in paragraph 4(a)i shall be made to or at the direction of TMST and an equal amount shall also be incurred as Work Commitments in the second year from the Effective Date (ie. prior to the second anniversary of the Effective Date, subject to adjustment for Force Majeure) in addition to incurring the Work Commitments described in paragraph 4(a)ii during such period;
  - ii. any cash payments in lieu of incurring the Work Commitments described in paragraph 4(a)ii shall be incurred as Work Commitments in the third year from the Effective Date (ie. prior to the third anniversary of the Effective Date, subject to adjustment for Force Majeure) in addition to incurring the Work Commitments described in paragraph 4(a)iii during such period; and
  - iii. any cash payments in lieu of incurring the Work Commitments described in paragraph 4(a)iii shall be incurred as Work Commitments within three months of the third anniversary of the Effective Date, subject to adjustment for Force Majeure, such that at such time an aggregate amount of \$21,000,000 in Expenditures shall have been incurred.
- (e) Should PII not incur the Work Commitments described in paragraph 4(a)i and elects not to maintain the right to acquire the Additional Interest in good standing prior to incurring such \$5,000,000, PII shall make a cash payment directly to TMST for such portion of the \$5,000,000 not incurred.

5. *Expenditures.*

- (a) For the purposes of this Agreement, “**Expenditures**” means:
- i. all costs, expenses, charges and outlays, direct and indirect, funded or incurred excluding value added taxes that are recoverable, paid or payable by Orta Truva or the Operator in respect of the Properties, including, without limiting the generality, all on-site costs, including but not limited to, costs for prospecting, claim staking, tenure obligations, taxes (including stamp tax and value added tax, as applicable), mapping, surveying, permitting, geochemical surveys, geophysical surveys, sampling assaying, trenching, drilling, geochemical analyses, road building, drill site preparation, preliminary economic assessments, pre-feasibility studies, a Feasibility Study approved in accordance with paragraph 12, drafting, ordinary course internally prepared resource estimates prepared by or for the benefit of Orta Truva (excluding studies and resource estimates prepared in connection with Canadian statutory compliance of a Shareholder, unless such studies and resource estimates are used for the preparation of a preliminary economic assessment) in a manner consistent with industry practice and reports thereon, report writing (subject to paragraph 5(a)iii, consultants, employees, wages or other compensation based upon a corporate wide plan, other than stock options or similar schemes, (except consultants, employees, wages or other compensation with respect to services undertaken by management in a governance capacity), accounting, negotiating access agreements, access to and use of existing camp facilities, development and use of new camp facilities, equipment, expenditures made to acquire additional rights or properties within the Area of Interest in accordance with paragraph 54 of the Agreement, compensation payable to owners or occupiers of land and all other project expenditures; and
  - ii. a charge of 10% on the costs, expenses, charges and outlays set out in subparagraph (i) above (excluding costs for payment of taxes or cash payments made on acquisitions of mineral, surface or water rights from third parties or government auctions) for administrative services and head office services provided by the Operator or any affiliate of the Operator (without duplication of the services provided by the Operator or any affiliate of the Operator). This charge is intended as a reimbursement of the costs of the time and expenses incurred by the Operator, or affiliate of the Operator, by or on behalf of Orta Truva in connection with management and other support functions. The charge has been established on the basis that the Operator shall not profit nor suffer loss by virtue of providing these functions. However, this charge shall not be subject to audit but may be reviewed by the Shareholders from time to time;
  - iii. but does not include the costs, expenses, charges or outlays related to feasibility studies (other than Feasibility Studies approved in accordance with paragraph 12) or the drafting, report writing or other costs, expenses, charges and outlays related to the preparation of a technical report (other than preliminary

economic assessments or prefeasibility studies) other than those prepared (A) in connection with the calculation of the Additional Consideration, or (B) in order to apply for, obtain or satisfy any applicable regulatory requirements or approvals of Orta Truva, the Operator, PLG or any affiliates thereof.

6. *Quarterly Expense Reports.* Within thirty (30) days of the end of each preceding calendar quarter of PLG during the Earn-In Period, or as required from time to time, the Operator shall submit to each Shareholder a report with a detailed breakdown of all the Expenditures incurred and exploration results obtained not previously delivered to the Shareholders (the “**Expense Report**”). With respect to the calendar quarter ending each December 31 (the “**Annual Expense Report**”), TMST shall have twenty (20) business days following receipt of an Annual Expense Report to advise PII in writing of any objection to the matters set out in any Expense Report (including the Annual Expense Report) delivered in respect of such calendar year (the “**Earn-In Objection Notice**”). If TMST has not, within such twenty (20) business day period, provided an Earn-In Objection Notice, such Expense Reports shall be deemed to be accepted as the final reports of Expenditures for such periods. If TMST provides an Earn-In Objection Notice within such twenty (20) business day period, PII shall have twenty (20) business days thereafter to either accept the objection and take such curative actions as may be necessary (which may include payment of cash to make up for any shortfall in Expenditures in accordance with paragraph 4(d)) or dispute the objections. If PII disputes the objections, the matter shall be referred to auditors at an independent public accounting firm in Turkey whose decision with respect to the matter shall be final and binding on the Shareholders. Orta Truva shall provide the auditors with full and unrestricted access to all books and records related to the Expenditures. To the extent that the auditors uphold TMST’s objections, PII shall have twenty (20) business days thereafter to take such curative actions as may be necessary (which may include payment of cash to make up any shortfall in Expenditures in accordance with paragraph 4(d)) whereupon such Expense Reports shall be deemed to be accepted as the final reports of Expenditures for such periods. The costs of any arbitration under this paragraph 6 shall be borne by TMST unless the auditors uphold TMST’s objections and the amount of any shortfall in Expenditures exceeds 5% of the Expenditures reported in the Expense Report, in which case the costs of the arbitration shall be borne by PII.
7. *Earn-In Period Funding.* At such times during the Earn-In Period as may be required, the Shareholders shall fund the Work Commitments on a pro rata basis, in accordance with their Shareholding Interest as at the Effective Date (ie. TMST as to 60% or \$12,600,000 and PII as to 40% or \$8,400,000). All such advances, when contributed to Orta Truva, shall be denominated in U.S. dollars. In consideration for such advances by the Shareholders on behalf of Orta Truva, the Shareholders shall be issued OT Shares on a pro rata basis in accordance with their Shareholding Interests. Such OT Share issuances will be done annually concurrently with, or as soon as reasonably practicable after, delivery by the Operator of each Annual Expense Report.
8. *Earn-In Advance.* At such times during the Earn-In Period that TMST is obligated to fund Work Commitments in accordance with paragraph 7, PII, or an affiliate of PII, shall make interest free loans to TMST for all amounts comprising TMST’s pro rata portion of

the Work Commitments pursuant to paragraph 7, up to a total aggregate amount of \$12,600,000 (the “**Earn-In Advance**”). Such Earn-In Advance shall be denominated in U.S. dollars, evidenced by a grid promissory note (the “**Earn-In Note**”), and subject to applicable Turkish stamp taxes on such Earn-In Note (such stamp tax to be paid by the Shareholders, in proportion to their Shareholding Interest as at the Effective Date). Despite the Earn-In Advance, with PII funding the Work Commitments on TMST’s behalf, TMST will receive such number of OT Shares as though TMST made such payments directly (calculated in accordance with paragraph 7).

9. *Completion Notices.* Upon PII having satisfied all of the obligations under paragraph 4, PII shall deliver to TMST an officer’s certificate (the “**Completion Notice**”) certifying that the Conditions Precedent have been satisfied. Such Completion Notice shall include the applicable Expense Report for the final period preceding the Completing Notice if not previously provided to TMST. TMST shall have twenty (20) business days following receipt of the Completion Notice to advise PII in writing of any objection to the matters set out in such Completion Notice (the “**Objection Notice**”). If TMST has not, within such 20 business day period, provided an Objection Notice, PII shall be deemed on the day immediately following the end of such 20 business day period (the “**Completion Date**”) to be the owner of the Additional Interest and TMST shall be deemed to have sold the Additional Interest to PII, with appropriate documentary evidence of such transfer of ownership to be prepared and delivered on the Closing Date (as defined below) in accordance with paragraph 10 hereof. If TMST provides an Objection Notice within such twenty (20) business day period, PII shall have twenty (20) business days thereafter to either accept the objection and take such curative actions as may be necessary (which may include payment of cash to make up for any shortfall in Expenditures in accordance with paragraph 4(d)) or dispute the objections. If PII disputes the objections, the matter shall be referred to auditors at an independent public accounting firm in Turkey whose decision with respect to the matter shall be final and binding on the Shareholders. Orta Truva shall provide the auditors with full and unrestricted access to all books and records related to the Expenditures. To the extent that the auditors uphold TMST’s objections, PII shall have twenty (20) business days thereafter to take such curative actions as may be necessary (which may include payment of cash to make up any shortfall in Expenditures in accordance with paragraph 4(d)) whereupon the Completion Date shall be deemed to occur and PII shall be deemed to be the owner of the Additional Interest and TMST shall be deemed to have sold the Additional Interest to PII as aforesaid. If PII has not satisfied all of the obligations under paragraph 4 on or before the date for each obligation, the rights and obligations under this Schedule “E” shall terminate as contemplated in paragraph 17(a). The costs of any arbitration under this paragraph 9 shall be borne by TMST unless the auditors uphold TMST’s objections and the amount of any shortfall in Expenditures exceeds 5% of the Expenditures reported in the Expense Report, in which case the costs of the arbitration shall be borne by PII.
10. *Closing of OT Shares.* Forthwith after the Completion Date, but in any event no later than twenty (20) business days after the Completion Date (the “**Closing Date**”), at such time and place to be determined by the Parties:

- (a) TMST will deliver to PII documentary evidence, satisfactory to PII acting reasonably, of the transfer to PII of OT Shares representing the Additional Interest in accordance with Turkish Law and the constating documents of Orta Truva, including, if applicable:
  - i. share certificates representing the Additional Interest, registered in the name of PII and duly endorsed for transfer;
  - ii. a notarized copy of the share ledger of Orta Truva reflecting the transfer of such OT Shares to PII;
  - iii. a notarized copy of the resolution of the board of directors of Orta Truva approving such transfer; and
  - iv. such resignations of TMST nominee directors and resolutions required to give effect to the requirements of paragraph 9 of the Agreement with respect to the composition of the board of directors of Orta Truva;
- (b) PII and TMST will deliver documentary evidence, satisfactory to each other Shareholder acting reasonably (including, but not limited to, receipt of applicable payment), of the satisfaction of the Earn-In Advance payable by TMST to PII (and the satisfaction and cancellation of the Earn-In Note pursuant to paragraph 8), the off-setting satisfaction of the Promissory Note payable by PII to TMST, including, if applicable:
  - i. mutual acknowledgement letter of PII and TMST, acknowledging the off-setting satisfaction of the Earn-In Note and the Promissory Note; and
  - ii. cancellation of each of the Earn-In Note and the Promissory Note;
- (c) Orta Truva shall take all steps and actions and shall deliver all documents and the Shareholders will deliver such other waivers, documents and assurances as may be necessary to document the transfer on the Closing Date of the OT Shares representing the Additional Interest.

#### 11. *Anti-Dilution.*

- (a) If, at any time during the Earn-In Period PLG proposes to issue any Additional Common Shares (as defined below) PLG shall notify TMST of such proposed issuance of Additional Common Shares not less than ten (10) business days prior to the anticipated closing date for the offering and provided that (i) not less than five (5) business days prior to the closing of the transaction, TMST provides Notice to PLG of its intention to participate in the offering, and (ii) on or before the closing of the transaction, TMST delivers to PLG the relevant legal documentation and the consideration payable thereunder, TMST shall be entitled to participate in such offering, subject to any applicable regulatory approval, on the same terms, on a *pro rata* basis, such that TMST or its affiliate, as applicable, will be able to maintain its then current shareholding of Pilot Shares as a percentage of PLG's then outstanding Pilot Shares after giving effect to such offering.

- (b) For the purposes hereof, “**Additional Common Shares**” means all Pilot Shares issued by PLG after the Effective Date, other than:
- i. Pilot Shares, or securities convertible or exchangeable into Pilot Shares, issued or issuable pursuant to the exercise of securities issued on or before the Effective Date;
  - ii. options to acquire Pilot Shares (as may be adjusted after the Effective Date for any stock splits, consolidations, reclassifications or other reorganization) issued to officers, directors or employees of, or consultants to, PLG pursuant to any option plan or agreement or purchase plan or agreement or other stock incentive program or arrangement approved by the board of directors for employees, officers, directors or consultants of PLG;
  - iii. in connection with or pursuant to any merger, business combination, joint venture, exchange offer, take-over bid, arrangement, asset purchase transaction or acquisition of assets or shares of a third party; or
  - iv. as a dividend or distribution on the Pilot Shares outstanding on the record date for such dividend or distribution.
12. *Technical Committee.* During the Earn-In Period, the Operator shall have the right of final approval with respect to a Program, after consultation with the Technical Committee, except with respect to a Program for a Feasibility Study which must have approval by both Shareholders.
13. *Programs.* The initial Program shall cover a forward-looking period from the Effective Date to December 31, 2012.
14. *Operator.* During the Earn-In Period, Agola Madencilik Sanayi ve Ticaret A.S., an affiliate of PII, will be the operator (the “**Operator**”) of the Properties through a contract with Orta Truva and, in connection therewith, will be responsible for the actions set forth in Appendix “1” to this Schedule “E” to the Agreement.
15. *Appointing Qualified Persons.* Without otherwise modifying or limiting the rights and obligations of the Operator as set forth herein and in the Agreement, PII, as Operator, will have the discretion to select and appoint the “qualified person” (as defined in NI 43-101) for the preparation of technical reports in respect of the Properties. The Operator shall provide the non-Operator with Notice of its intention to appoint a qualified person and the non-Operator shall have ten (10) business days following receipt of such Notice to nominate a qualified person for the Operator’s consideration; however, should the non-Operator put forward such a nominee, the Operator shall not be bound in any way to appoint such nominee.
16. *Board of Directors.* During the Earn-In Period, and without prejudice to the statutory provision of the Turkish Commercial Code, certain rights, authority and power of the Board shall be delegated pursuant to and in accordance with the Services Agreement.

## **Termination**

### *17. Termination of the Additional Interest Acquisition*

- (a) *Termination by TMST.* TMST shall have the right to terminate the Acquisition, and all of its obligations pursuant to this Schedule “E” to the Agreement (except as set forth in paragraph 17(c)):
- i. if the Conditions Precedent have not been met before the expiration of three months after the third anniversary of the Effective Date, subject to adjustment for Force Majeure, or
  - ii. if PII defaults in respect of any of the obligations in paragraph 3 comprising the Purchase Price or paragraph 4 with respect to the Work Commitments and has not have cured such default within thirty (30) days of receiving Notice of such default from TMST.
- (b) *Termination by PII.* PII shall have the right to terminate the Acquisition, and all of its obligations pursuant to this Schedule “E” to the Agreement (except as set forth in paragraph 17(c)), on thirty (30) days Notice to TMST provided that PII shall not be entitled to terminate the Acquisition pursuant to this paragraph 17(b) prior to the time that it has made at least \$5,000,000 of Work Commitments on the Properties pursuant to paragraph 4, or paid TMST the cash in lieu pursuant to paragraph 4(e).
- (c) *Effect of Acquisition Termination.* PII hereby acknowledges and agrees that if the Acquisition terminates under paragraph 17(a), 17(b) or as contemplated in paragraph 9 above (or the Agreement is terminated under paragraph 42 of the Agreement prior to the Completion Date):
- i. all Pilot Shares and Pilot Warrants issued and all payments made by PII to, or to the direction of, TMST on or before the date of termination shall be retained by TMST and thereafter PII will have no rights to the Additional Interest;
  - ii. the amount outstanding under the Earn-In Advance at the date of such termination shall be deemed to be satisfied in full, the promissory note evidencing such Earn-In Advance shall be cancelled, and PII shall provide TMST with a release of all rights and obligations with respect thereto (including any liens registered against TMST’s OT Shares);
  - iii. the Shareholding Interests of the Shareholders shall remain the same as at the Effective Date; and
  - iv. The parties shall promptly satisfy any other liabilities due or accruing due (excluding Work Commitments other than Work Commitments payable pursuant to paragraph 4(e)) as of the date of termination of the Acquisition.

This is **APPENDIX 1** to **SCHEDULE E**  
to the Amended and Restated TV Tower Joint Venture Letter Agreement  
between **PILOT GOLD INC., PILOT INVESTMENTS INC.,**  
**AGOLA MADENCILIK LIMITED ŞİRKETİ,**  
**TECK MADENCILIK SANAYI TICARET A.Ş.** and  
**ORTA TRUVA MADENCILIK SANAYI VE TICARET A.Ş.**  
dated December 10, 2014

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**RESPONSIBILITIES OF THE OPERATOR DURING THE EARN-IN PERIOD**

During the Earn-In Period, the Operator will be responsible for:

- (a) making all Expenditures on behalf of Orta Truva necessary to carry out the Work Commitments;
- (d) the creation, development, implementation and carrying out of Programs and budgets, subject to applicable board approvals;
- (e) all exploration, development, mining and other activities and operations of Orta Truva, including the commissioning and preparation of a Feasibility Study;
- (f) obtaining and maintaining permits, licences, approvals and authorizations;
- (g) maintaining compliance with applicable laws;
- (h) the acquisition, purchase or lease of any right, title or interest in any new or additional assets, minerals or other real or personal property within the Area of Interest;
- (i) the hiring and termination of employees, attorneys, accountants, consultants and other agents of the Operator;
- (j) having possession of the Properties and conducting all work and exploration on the Properties and incurring Expenditures; provided that each other Shareholder will have access to the Properties, at its sole cost and risk, at all reasonable times;
- (k) performing its obligations and conducting all operations in a workmanlike and commercially reasonable manner, in accordance with sound mining, engineering and processing methods and practices;
- (l) the construction, repair, commissioning or replacement of any facility, plant, improvement, road, building, capital improvement or infrastructure;
- (m) keeping the Properties free and clear from any liens or encumbrances relating to its work on the Properties;

- (n) providing the Shareholders with regular progress reports during periods of active exploration and with an annual summary of the work performed and the results obtained. The annual summary shall include copies of any drill records, assays, maps, plans and all other relevant factual information and materials not previously delivered;
- (o) doing and filing such assessment work or other reports required to maintain tenure to the Properties in good standing;
- (p) maintaining accounts of its Expenditures on the Properties in accordance with accounting principles generally accepted in the mining industry and in a manner consistent with the accounts it maintains for its other joint venture projects;
- (q) maintaining all required accounting and financial records in accordance with generally accepted accounting principles, including applicable international financial reporting standards (“**IFRS**”). If other than IFRS applies to Orta Truva, then the accounting and financial records will also be translated into IFRS compliant statements; and
- (r) obtaining and maintaining policies of insurance with respect to the assets and operations of Orta Truva which are in excess of the insurance coverage program normally maintained by PLG for itself and its affiliates (as the Board deems appropriate and desirable in its discretion).