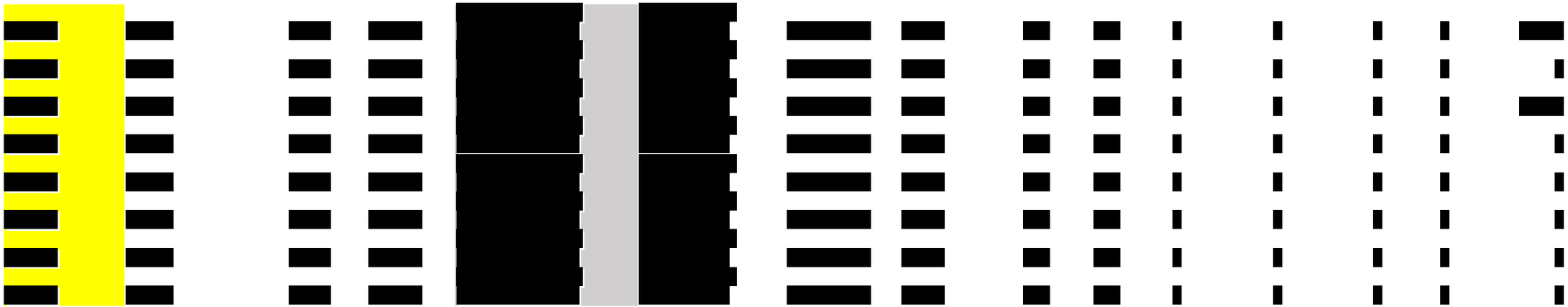
Legacy Claim Id	Township / Area	Property Name	Tenure ID		Tenure Type	Anniversary Date	Tenure Status	Tenure Percentage	Work Required	Work Applied	Available Consultation Reserve	Available Exploration Reserve	Total Reserve	Conversion Bank Credit
1208513	LEOPARD LAKE AREA	Clist	201309	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-08-24	Active	100	200	0	0	0	0	0
1208513	LEOPARD LAKE AREA,VINCENT	Clist	305116	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-08-24	Active	100	200	0	0	0	0	0
1208513	LEOPARD LAKE AREA,VINCENT	Clist	221368	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-08-24	Active	100	200	0	0	0	0	0
1208513	LEOPARD LAKE AREA,VINCENT	Clist	221367	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-08-24	Active	100	200	0	0	0	0	11805
1208513	LEOPARD LAKE AREA	Clist	275302	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-08-24	Active	100	200	0	0	0	0	0
1208513	LEOPARD LAKE AREA	Clist	275301	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-08-24	Active	100	200	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	113543	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	331982	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	331981	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	327987	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	315197	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	315196	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	268075	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	248689	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	230847	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	230846	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	224690	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	224689	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	224688	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	212632	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	194074	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0

4252552	LEOPARD LAKE AREA	Clist	194073	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	145932	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	145931	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	140484	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	113544	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252553	LEOPARD LAKE AREA	Clist	230846	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252553	LEOPARD LAKE AREA,VINCENT	Clist	332145	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252553	LEOPARD LAKE AREA,VINCENT	Clist	231495	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252553	LEOPARD LAKE AREA	Clist	331981	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252554	LEOPARD LAKE AREA,VINCENT	Clist	108423	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252554	VINCENT	Clist	316343	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252554	VINCENT	Clist	316342	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252554	VINCENT	Clist	309615	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252554	VINCENT	Clist	309614	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252554	VINCENT	Clist	278804	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
4252554	VINCENT	Clist	195668	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252554	VINCENT	Clist	176152	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252554	VINCENT	Clist	130356	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0	0
4252554	LEOPARD LAKE AREA,VINCENT	Clist	212353	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0	0
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]



Property	Internal Block Reference	Mining Division	Township / Area	Type of Claim	Property Description	Parcel	Claim Number	Current Lease #		PIN	License #	Status	Holder(s)	Rights	Recorded Date	Claim Due Date	Days Left until Claim Due Date	Required Work on Claim by Due Date	Units	Area (ha)	Max Allowable Yearly Assignment	Present Work Assignment	Current Available Assignment	Reserve	GF	Lease Expiry Date	Lease Account #	Lease Sub-Account #	Annual Rent $	Annual Rent Due	Outsanding Balance	Mining Tax Account #	Mining Tax Sub-Account #	Annual Mining Tax $	Mining Tax Due	Current Mining Tax Account Balance	Municipality	Roll #	Tax Class	MNR Tenant Tax Amount	MNR Tenant Tax Due	MNR Customer #	Arrears	Current Municipal Tax $	Municipal Tax Due	Permit	Permit Activities	Permit Status	Permit Expir
Soloman's Pillars		Thunder Bay	Walters & Leduc	3 MNR Leases grouped into 1 MNDM lease	TB222655 TWP of Walters and Leduc	2508	TB222661 TB277593 TB222655 TB222656	187144		62409-0023	Not Applicable	Active	Sage Gold Inc.	MSR	Not Applicable	Not Applicable	Not Applicable	Not Applicable		72.293	$ 96,000.00	$ -	$ 96,000.00	$ 247,760.00	4040168	[redacted]	LTB*0059	0005	$ 216.88	April 1, 2018	$ -	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Greenstone	[redacted]	TBD	[redacted]	[redacted]	702438	$ -	Billed through MNR	Billed through MNR	PR 14-10527	[redacted]	[redacted]	[redacted]
Soloman's Pillars		Thunder Bay	Walters	MNR Lease	TB534445ET AL Land and Land under water designated as part of 1 to 22 on Plan 55R-6431. Mining Claims TB53447, TB 534469, TB534463 TO TB534466 inc., TB534457 TO 534460 inc. TB534451 TO TB534454 inc.and	3128	TB534449 TB534452 TB534453 TB534447 TB534458 TB534448 TB534472 TB534451 TB534454 TB534465 TB534463 TB534460 TB534468 TB534454 TB534448 TB534459 TB534446 TB534457	188519		62409-0022	Not Applicable	Active	Sage Gold Inc.	MSR		Not Applicable	Not Applicable	Not Applicable		281.766	$ 96,000.00	$ -	$ 96,000.00	$ 537,220.00	40100039	Sunday, June 30, 2030	LTB*0059	0007	$ 845.30	July 1, 2018	$ -	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Greenstone	[redacted]	TBD	[redacted]	[redacted]	702438	$ -	Billed through MNR	Billed through MNR	PR 14-10527	[redacted]	[redacted]	[redacted]
Railway Land Lease		Sault Ste. Marie	Esquega Corbiere	Fee Simple Absolute	Lease 52	PT of Parcel 13 PT of Parcel 15	AC3041 AC3042 AC3043 AC3044 AC3045 AC3046 AC3075 AC3076 AC3077 AC3739 AC3740 AC3741	Not Applicable	Not Applicable	31159-0239 31148-0027	Not Applicable	Active	Josephine Forest Resources Ltd. (leased to Sage Gold)	MR (Surface Rights remain with the patent owner)	Not Applicable	Not Applicable	Not Applicable	$ -	11.169 17.28 14.528 13.516 16.268 17.037 17.401 17.644 11.453 14.852 13.678 12.141	$ -	$ -	$ -	$ -	Non Assigned	Sunday, July 31, 2039	Not Applicable	Not Applicable	31-Jan	$ 109.33	$ -	MNDM to look into		$ 707.87	April 1	$ -	Municipal Tax is the responsibility of patent owner (Josephine Forest Resources Ltd.)		None	None	None	None

SHELDON HUXTABLE
PROFESSIONAL CORPORATION

BARRISTERS & SOLICITORS
Suite 1801, 180 Dundas Street West
Toronto, Ontario, Canada M5G 1Z8
Tel: (416) 595-5151 Fax: (416) 595-5959
Corporate Fax: (416) 595-5195
E-mail: info@sheldonhuxtable.com

Reply to:
Donald A. Sheldon
Ext. 101
Direct: (416) 595-0147
dsheldon@sheldonhuxtable.com

Assistant:
Wynne K. Reid
Ext. 113
Direct: (647) 258-8941
wreid@sheldonhuxtable.com

Ref: F:\Clients\H\Hopkins, Elizabeth\993767 - Sale of Mining Claims\Skutezky Ltr - 09Apr08.doc

April 9, 2008

Delivered

Michael R. Skutezky
Professional Corporation
Suite 720
40 University Avenue
Toronto, Ontario
M5J 1T1

Dear Sir:

Re: Albert Hopkins Enterprises Ltd. sale to Sage Gold Inc. of Mineral Rights Located in the Townships of Onaman Lake and Gzowski, and a Mining Lease Located in the Township of ~~Dorothea~~, all in the District of Thunder Bay (vacant lands)
ESQUISKA & CORBIERE

We have been able to obtain copies of various materials from Cedar Falls Forest Resources and, accordingly, enclose copies of the following:

1. Mining Lease – August 1, 1943 (99 year lease)
2. First Assignment – July 2, 1947
3. Second Assignment – August 28, 1947
4. Third Assignment – March 1, 1961
5. Fourth Assignment – May 1, 1967 (one-half interest only)
6. Fifth Assignment - December 30, 1987
7. Sixth Assignment – June 4, 1997

We also enclose a copy of the following materials:

1. Letter dated December 16, 1996 from Algoma Central Properties Inc. to the Estate of Albert Hopkins
2. Fax dated February 24, 1997 from R.N. Granger of Explorer's Alliance Corporation to W.S. Vaughan
3. Letter dated March 30, 2008 from Cedar Falls Resources to Sheldon Huxtable Professional Corporation

SHELDON HUXTABLE
PROFESSIONAL CORPORATION

Accordingly, we enclose herewith a draft Seventh Assignment of Lease for your review and consideration.

Yours very truly,

SHELDON HUXTABLE
PROFESSIONAL CORPORATION

D. A. Sheldon

DAS:wkr
Enc.

COPY

AGREEMENT

BETWEEN

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

— and —

SOOCANA GOLD MINES LIMITED

No. N-797 Number of sheets attached

Re LEASE OF MINING LANDS

INDEXED ON PLAN & NOTE BELOW

We acknowledge having received ..... complete copies
With epitomes of above agreement.

Signature	Designation	Date

NOTE:—Distribution is only made to heads of Depts. interested. Every officer whose signature appears above will be held solely responsible for the due fulfillment of that portion of the agreement affecting his Department.

Copy agreements to be filed separately from these forms, the latter in respect of all subjects being batched together so as to make a series of permanent diaries.

65574

Note:—By keeping this to the front during the currency of this agreement nothing can be overlooked, as under the month and date appear those items to which periodical attention must be paid; read this in conjunction with epitome.

DIARY

In respect of agreement No. N-797 Re LEASE OF MINING LANDS

	Jan.		July
	Feb.	1940	Aug. 1 - Date of Lease
		"	" Date of Commencement of 99 year term of lease.
			" Date of payment of rental of 25¢ per acre in each year.
	Mar. 1 - Date of payment of annual royalty.		Sept.
	" - Date prior to which Annual Statements, plans, etc. to be filed in each year.		
	April		Oct.
	May		Nov.
	June		Dec.

EPITOME NO. N-797 - LEASE OF MINING LANDS

DATED: - 1ST AUGUST, 1940.

PARTIES: THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

- and -

SOOGANA GOLD MINES LIMITED

CONSIDERATION: ONE DOLLAR ($1.00) on execution of lease and annual rental of 25¢ per acre, plus royalties.

PREMISES:- ALL AND SINGULAR those certain parcels or tracts of land and premises situate, lying and being in Township 28 in Ranges 24 and 25, in the District of Algoma in the Province of Ontario, being composed of: 221.90 acres in the Northeasterly part of Township 28, Range 24 and 215.4 acres in the Southeasterly part of Township 28, Range 25, all of which may be more particularly described as follows:-

FIRSTLY:- COMMENCING at the Number Four (04) mile post on the South limit of Township 28, Range 25, thence East astronomically along the said South limit thirty-five (35) chains forty-seven (47) links to the place of beginning. Thence East astronomically forty (40) chains twenty-five (25) links; Thence North astronomically fifty-four (54) chains fifty-nine (59) links; Thence North eighty-seven (87) degrees twenty (20) minutes West thirty-six (36) chains sixteen (16) links; Thence South One (01) degree seven (07) minutes East twenty (20) chains ten (10) links; Thence North eighty-eight (88) degrees fifty-three (53) minutes West five (05) chains twelve (12) links; Thence South No (0) degrees twenty-five (25) minutes East seventeen (17) chains ninety-two (92) links; Thence South one (01) degree twenty-five (25) minutes East eighteen (18) chains twenty (20) links more or less to the place of beginning SAVING and EXCEPTING the Right-of-Way of The Algoma Central and Hudson Bay Railway, and containing by admeasurement two hundred and fifteen and four-tenths (215.4) acres more or less, as shown outlined in red and marked "A" on the attached plan.

SECONDLY:- COMMENCING at the Number Four (04) mile post on the Northerly limit of Township 28, Range 24, thence East astronomically along said North limit Thirty-five (35) chains forty-seven (47) links to the place of beginning; Thence South thirteen (13)

(2)

degrees East seventeen (17) chains fourteen (14) links; Thence South seventy-nine (79) degrees West twenty-one (21) chains forty-five (45) links; Thence South five (05) degrees ten (10) minutes East twenty (20) chains eighty (80) links; Thence South seventy-nine (79) degrees twenty-four (24) minutes West sixteen (16) chains forty-eight (48) links; Thence South eight (08) degrees fifty-two (52) minutes West fourteen (14) chains fifty-three (53) links; Thence East astronomically thirty-eight (38) chains twenty (20) links; Thence North eighty-four (84) degrees fifteen (15) minutes East twenty (20) chains ten (10) links more or less to a point on the Westerly limit of Parcel 757 Algoma West Section; Thence North astronomically along said Westerly limit of Parcel 757 Algoma West Section fifty-six (56) chains eighty-three (83) links to a point on the Northerly limit of Township 28, Range 24; Thence West astronomically along the said Northerly limit twenty-four (24) chains, forty-two (42) links more or less to the place of beginning, SAVING and EXCEPTING the Right-of-Way of The Algoma Central and Hudson Bay Railway, and containing by admeasurement two hundred and twenty-one and nine-tenths (221.9) acres more or less, as shown outlined in red and marked "B" on the plan.

EXPIRATION: Ninety-nine (99) years from 1st August, 1940.

TERMS: Usual terms governing mining leases.

COULD NOT FIT ALL ON ONE PAGE, THEREFORE 2 COPIES OF EACH PAGE TO COPY ENTIRE PAGE

This Indenture

made in Duplicate this 1st day of August, A.D. 19 40

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT.

BETWEEN:

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY (hereinafter called "the Lessor"), OF THE FIRST PART,

AND

SOCOMA GOLD MINES LIMITED

(hereinafter called "the Lessee"), OF THE SECOND PART

WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor hereby grants, demises and leases unto the Lessee, his executors, administrators, successors and assigns all and every the mines, veins, seams, beds or deposits of minerals, ores or metals in or on or under ALL and SINGULAR th ose certain parcels or tracts of land and premises situate, lying and being in Township 28 in Ranges 24 & 25 in the District of Algoma in the Province of Ontario, being composed of:

221.90 acres in the Northeasterly part of Township 28, Range 24 and 215.4 acres in the Southeasterly part of Township 28, Range 25, all of which may be more particularly described as follows:-

(See description Appendix "A" attached hereto.)

TO HAVE AND TO HOLD the said demised premises for and during the term of ninety-nine (99) years to be computed from the first day of August, 19 40, and from thenceforth next ensuing and fully to be completed and ended.

WITH full and exclusive liberty, power and authority for the Lessee, his agents, servants and workmen to search for, dig, work, mine, procure, carry away and sell or otherwise dispose of, any and all minerals which may be found within the limits of the land hereinbefore described, and to erect, make and maintain thereon all such buildings, excavations, openings, ditches, drains, power lines, tram-ways, smelters or other improvements that shall or may be deemed necessary or convenient for the purposes aforesaid, and to use such timber on the said lands as shall or may be deemed necessary for any purposes aforesaid.

SUBJECT nevertheless to the reservations and exceptions contained in the original patent from the Crown.

PROVIDED that the foregoing liberties, powers and authorities shall not include any of the following:

(1) The right to use the surface of the lands above described for a distance of one chain from the shores of all rivers, streams, lakes and ponds at high water.

(2) The right to any water powers on the lands above described, together with such additional area of the surface of the said lands as in the opinion of the Lessor may be necessary for the development and utilization of such water power.

(3) The right to use timber or other woods on the said lands where the Lessor cannot legally permit such use, or where such right is under contract to other persons or corporations.

Note—Pine standing on the said lands is reserved to the Crown, and permission to cut same must be obtained from the Crown and Crown dues paid.

(4) The right to lay out or permit the laying out of any town site on the said lands, until and unless the Lessee shall have acquired from the Lessor the surface rights therefor; and the Lessor hereby covenants that it will convey the surface rights to such portion of the said lands as may be required for such town site upon the request in writing of the Lessee, accompanied by a plan of such town site satisfactory to the Lessor and upon payment to the Lessor of the sum of $3.00 per acre therefor, if the Lessor is the owner of the said surface rights at the time of such request and production of such plan.

(5) The right to interfere with or damage in any way any improvements made on the said lands by any legal occupant thereof, except to the extent that such right is reserved to the Lessor in any agreement respecting, or transfer, conveyance or lease of such surface rights.

AND provided that notwithstanding the foregoing liberties, powers and authorities the Lessor may at any time cross the said lands or any part thereof with its railroad or any branch or siding, and for such purpose may lay out a right of way not exceeding one hundred feet (100') in width for any such railroad, branch or siding, but in such event the Lessor shall cause as little interference as possible with any building, work, operation or other improvement erected, carried on or made by the Lessee on the said lands pursuant to the said liberties, powers and authorities.

YIELDING and paying therefor as rent the sum of One Dollar ($1.00) per acre on the execution of this lease and the further sum of Twenty-five Cents (25c) per acre on the First day of August in each year hereafter during the currency of this lease and yielding and paying as rent in addition thereto the royalties as follows:

(1) For every mine located on the said lands, excepting iron pyrites mines, an annual royalty on the 1st day of March in each and every year, in respect of the year ending on the 31st day of December immediately preceding, as follows:

lying and being in Ranges 24 & 25 in the District of Algoma in the Province of Ontario, being composed of:

221.90 acres in the Northeasterly part of Township 28, Range 24 and 215.4 acres in the Southeasterly part of Township 28, Range 25, all of which may be more particularly described as follows:-

(See description Appendix "A" attached hereto.)

TO HAVE AND TO HOLD the said demised premises for and during the term of ninety-nine (99) years to be computed from the first day of August, 19 40, and from thenceforth next ensuing and fully to be completed and ended.

WITH full and exclusive liberty, power and authority for the Lessee, his agents, servants and workmen to search for, dig, work, mine, procure, carry away and sell or otherwise dispose of, any and all minerals which may be found within the limits of the land hereinbefore described, and to erect, make and maintain thereon all such buildings, excavations, openings, ditches, drains, power lines, tram-ways, smelters or other improvements that shall or may be deemed necessary or convenient for the purposes aforesaid, and to use such timber on the said lands as shall or may be deemed necessary for any purposes aforesaid.

SUBJECT nevertheless to the reservations and exceptions contained in the original patent from the Crown.

PROVIDED that the foregoing liberties, powers and authorities shall not include any of the following:

(1) The right to use the surface of the lands above described for a distance of one chain from the shores of all rivers, streams, lakes and ponds at high water.

(2) The right to any water powers on the lands above described, together with such additional area of the surface of the said lands as in the opinion of the Lessor may be necessary for the development and utilization of such water power.

(3) The right to use timber or other woods on the said lands where the Lessor cannot legally permit such use, or where such right is under contract to other persons or corporations.

Note—Pine standing on the said lands is reserved to the Crown, and permission to cut same must be obtained from the Crown and Crown dues paid.

(4) The right to lay out or permit the laying out of any town site on the said lands, until and unless the Lessee shall have acquired from the Lessor the surface rights therefor; and the Lessor hereby covenants that it will convey the surface rights to such portion of the said lands as may be required for such town site upon the request in writing of the Lessee, accompanied by a plan of such town site satisfactory to the Lessor and upon payment to the Lessor of the sum of $3.00 per acre therefor, if the Lessor is the owner of the said surface rights at the time of such request and production of such plan.

(5) The right to interfere with or damage in any way any improvements made on the said lands by any legal occupant thereof, except to the extent that such right is reserved to the Lessor in any agreement respecting, or transfer, conveyance or lease of such surface rights.

AND provided that notwithstanding the foregoing liberties, powers and authorities the Lessor may at any time cross the said lands or any part thereof with its railroad or any branch or siding, and for such purpose may lay out a right of way not exceeding one hundred feet (100') in width for any such railroad, branch or siding, but in such event the Lessor shall cause as little interference as possible with any building, work, operation or other improvement erected, carried on or made by the Lessee on the said lands pursuant to the said liberties, powers and authorities.

YIELDING and paying therefor as rent the sum of One Dollar ($1.00) per acre on the execution of this lease and the further sum of Twenty-five Cents (25c) per acre on the First day of August in each year hereafter during the currency of this lease and yielding and paying as rent in addition thereto the royalties as follows:

(1) For every mine located on the said lands, excepting iron pyrites mines, an annual royalty on the 1st day of March in each and every year, in respect of the year ending on the 31st day of December immediately preceding, as follows:

(a) One per cent. (1%) on all annual profits of the said mine in excess of Ten Thousand Dollars ($10,000.00), and up to One Million Dollars ($1,000,000.00), and

(b) One and one-half per cent. (1½%) of the said annual profits in excess of One Million Dollars ($1,000,000.00) and up to Three Million Dollars ($3,000,000.00), and

(c) Two per cent. (2%) of the said annual profits in excess of Three Million Dollars ($3,000,000.00).

(2) For every iron and/or pyrites mine located on the said lands a monthly royalty of Ten Cents (10c) per long ton of raw ore mined, to be due and payable within sixty (60) days following the month in which such ore is mined.

Royalties shall be determined in accordance with the rules set forth in Schedule I hereto.

THE said Lessee covenants with the said Lessor:

(1) To pay rent.

(2) To pay as rent all taxes, rates, dues and assessments whatsoever, whether municipal, parliamentary or otherwise, now charged or hereafter to be charged upon the said demised premises, or upon or against the Lessor on account thereof, or upon or against any person, partnership or corporation carrying on any operations thereon.

(3) And will not assign, or sub-let without leave, or part with the possession of the demised premises or any part thereof without leave, such leave, however, not to be unreasonably withheld in the case of a responsible firm or company, upon such responsible firm or company entering into an agreement with the Lessor to pay the rents and royalties and perform and observe the covenants, conditions and terms in this lease.

(4) To carry out the provisions of Schedule II, respecting the giving of certain notices, the furnishing of Annual Statements and plans, the keeping of books of account, and other matters therein contained.

(5) To conform to and carry out the provisions of the rules respecting the operation of mines set out in Schedule III hereto.

(6) That he will pay all accounts for labour done by him or on his behalf on the said demised premises and for all buildings, plant equipment and other supplies supplied to him or with his authority for use in connection with the said demised premises and that he will not permit any lien to be or remain registered against the said lands or the demised premises in respect of any work done by, or for any material supplied to or for the Lessee upon or in respect of the said lands or the demised premises or any operation carried on thereon. In the event of the Lessor being obliged to pay any such lien or any costs in connection therewith to prevent the demised premises from being sold, the Lessor may treat any amount so paid as rent due hereunder and shall be entitled to all the remedies herein or by law provided for the collection of rent hereunder, but this clause shall not be construed as meaning or implying that such lien may be registered against the interest of the Lessor in the said lands.

(7) And that he will leave the premises in good repair, reasonable wear and tear and damage by fire, lightning and tempest only excepted.

AND WHEREAS the primary object of the granting of this lease is to increase the traffic of the Lessor, and as a part of the consideration for the granting of this lease, the Lessee covenants and agrees with the Lessor to ship over the railway and/or other transportation facilities of the Lessor, all inbound and outbound freight and express required for the development and/or operation of the premises hereby leased, including all ores, concentrates, minerals, etc., and insofar as the Lessee is able, to transport all employees engaged in the development and/or operation of the premises hereby leased, over the Lessors railway.

AND the Lessee further covenants and agree with the Lessor that, provided rates and conditions are equal, the Lessor shall be given the first refusal for the transporting by the Lessor's steamship line of all water borne traffic for movement on the Great Lakes originating at and/or destined to the premises hereby leased.

AND the Lessor agrees to maintain reasonable and equitable freight, express and passenger rates on its railway and/or other transportation facilities.

PROVIDED the Lessee is not in default hereunder and upon payment of rent to the date of termination, the Lessee may at any time terminate this lease upon giving to the Lessor six (6) months' notice in writing of his intention so to do.

PROVIDED that the Lessee may remove his fixtures (but not including buildings), and may exercise such right within ninety (90) days after the expiration or other sooner determination of this lease (provided, however, he is not in default hereunder) but he shall not remove or impair any supports placed in the mine or any timber or framework necessary to the use and maintenance in shafts or other approaches to the mine or any tramways within the said mine.

PROVIDED, and it is hereby expressly agreed, that if and whenever the rent, royalties, taxes, rates, dues or assessments hereby reserved and covenanted to be paid by the Lessee, or any part thereof shall be and remain unpaid (whether formally demanded or not) for three months after the date and time when the same first became due and payable, or if the term hereby granted or any of the goods or chattels of the Lessee shall be seized or taken in execution or attachment by a creditor of the Lessee, or if the Lessee shall go into liquidation whether voluntary (save for the purpose of amalgamation or reorganization) or compulsory, or shall become bankrupt or insolvent, or make an assignment for the benefit of or enter into an arrangement or composition with creditors, or if any covenant on the Lessee's part herein contained shall not be performed or observed, then and in any of the said cases the current month's rent, together with the rent for the three months next accruing, and taxes for the then current year (to be reckoned on the rate for the next preceding year in case the rate shall not have been fixed for the then current year), shall immediately become due and payable, and the said term shall, at the option of the Lessor forthwith become forfeited and determined and it shall be lawful for the Lessor at any time thereafter, into and upon the said demised premises or any part thereof, in the name of the whole to re-enter, and the same to have again, repossess and enjoy, as of its former estate, anything hereinafter contained to the contrary notwithstanding, and in every such case, taxes shall be recoverable by the Lessor in the same manner as the rent hereby reserved.

PROVIDED, and it is hereby expressly agreed, that in the event of non-payment by the Lessee of any taxes, rates, dues and assessments, the Lessor may, at its option, pay the said taxes, rates, dues and assessments, in which case the amount so paid shall be payable by the Lessee to the Lessor and in the event of any such taxes, rates, dues and assessments remaining unpaid at the expiration or sooner determination of this lease, the amount of the same shall be payable by the Lessee to the Lessor whether or not the Lessor shall have paid the same, and in every such case shall be deemed to be rent accrued due and owing to the Lessor, and the Lessor shall have the right to collect the same in the same manner as rent hereby reserved.

IT is hereby expressly agreed that if the said several rents, royalties or sums of money hereby reserved or any of them, or any part thereof respectively shall be in arrear for three months and the same shall not be paid when demanded by a notice in writing signed by the Lessor or its Agent and served by the Lessor on the Lessee, then, and in such case it shall be lawful for the Lessor not only to stop the working and vending of the demised minerals and the working of any other minerals worked and carried away or made workable by virtue of the powers herein contained or any of them but also to enter upon any other Railway Lands in the occupation of the Lessee, or of any other corporation or person where by the terms and conditions of this lease the profits or losses from mines on such lands are to be taken into consideration in determining the rents and royalties payable under this lease and to seize and distrain all minerals which have been worked or brought to the surface of such lands and to seize and distrain all goods, chattels, plant, machinery, equipment and fixtures of the Lessee or any such person or corporation and such distress and distresses then and there found to take, keep, lead and carry away and sell and dispose of in order to pay and satisfy the said rents, royalties and sums of money which shall be so in arrear and also the reasonable costs and expenses of such distress and distresses and sale or sales rendering the overplus (if any) to the Lessee.

PROVIDED, and it is hereby expressly agreed, that the rent reserved hereunder shall be apportionable and shall accrue due from day to day, and notwithstanding anything herein contained rent for the period of occupation and all accelerated rent shall be payable on the day of expiration or sooner determination of this lease, unless sooner payable hereunder.

AND the Lessee waives and renounces the benefit of any present or future Act of the Legislature of the Province of Ontario taking away or limiting the landlord's right of distress and agrees with the Lessor that, notwithstanding any such Act, the Lessor may seize upon and sell all the Lessee's goods and chattels for payment of rent, royalties, sums of money payable to the Lessor hereunder, and costs as might have been done if such Act had not been passed.

THE Lessee further agrees that if he leaves the leased premises leaving any rent, royalties, or sums of money owing to the Lessor under this lease unpaid, the Lessor, in addition to any remedy otherwise provided by law, may seize and sell the goods and chattels of the Lessee, at any place to which the Lessee or any other person may have removed them, in the same manner as if such goods and chattels had remained and been distrained upon the demised premises.

TIME shall be strictly of the essence of this lease, and the extension of the time for any payment or performance of any covenant herein shall not be deemed a waiver of the term that time shall be strictly of the essence of this lease in respect of all other payments or covenants.

THE Lessor covenants with the Lessee for quiet enjoyment.

ANY notice required to be served hereunder by the Lessor on the Lessee shall be deemed personally served when placed in an envelope, sealed, registered and deposited in any Post Office of the United States or Canada, addressed to the manager or other person notified to the Lessor as "the name and address for service" as provided in Schedule II hereto, and until such notice has been given by the Lessee to the Lessor, addressed as follows:

Soocana Gold Mines Limited, c/o Messrs. Hamilton & Carmichael,
514 Queen St. E., Sault Ste. Marie, Ontario.

IT is agreed between the Lessor and the Lessee that the covenants, terms and conditions of this lease shall run with the land and shall both bind and benefit the heirs, executors, administrators, successors and assigns of the Lessor and Lessee respectively.

IN the event of there being more than one Lessee, each Lessee shall be bound to perform and observe each and every covenant, term and condition herein contained, and all covenants shall be deemed to be made jointly and severally by such Lessees.

"Railway Lands" shall mean lands, mines or mineral rights, wherever situate, of which the freehold, either in possession or reversion, and either at law or in equity, is in the Lessor.

"Mine" shall include any opening or excavation in, or working of the ground for the purpose of winning, opening up or proving any mineral or mineral-bearing substance, and any ore body, metal, mineral deposit, stratum, vein or seam, or cement, or place where mining is or may be carried on, and all ways, works, machinery, plant, buildings, and premises below or above ground belonging to or used in connection with the mine.

"Mine Assessor" shall mean the person so designated from time to time by the Lessor.

and the same to have again, repossess and enjoy, as of its former estate, anything [illegible] notwithstanding, and in every such case, taxes shall be recoverable by the Lessor in the same manner as the rent hereby reserved.

PROVIDED, and it is hereby expressly agreed, that in the event of non-payment by the Lessee of any taxes, rates, dues and assessments, the Lessor may, at its option, pay the said taxes, rates, dues and assessments, in which case the amount so paid shall be payable by the Lessee to the Lessor and in the event of any such taxes, rates, dues and assessments remaining unpaid at the expiration or sooner determination of this lease, the amount of the same shall be payable by the Lessee to the Lessor whether or not the Lessor shall have paid the same, and in every such case shall be deemed to be rent accrued due and owing to the Lessor, and the Lessor shall have the right to collect the same in the same manner as rent hereby reserved.

IT is hereby expressly agreed that if the said several rents, royalties or sums of money hereby reserved or any of them, or any part thereof respectively shall be in arrear for three months and the same shall not be paid when demanded by a notice in writing signed by the Lessor or its Agent and served by the Lessor on the Lessee, then, and in such case it shall be lawful for the Lessor not only to stop the working and vending of the demised minerals and the working of any other minerals worked and carried away or made workable by virtue of the powers herein contained or any of them but also to enter upon any other Railway Lands in the occupation of the Lessee, or of any other corporation or person where by the terms and conditions of this lease the profits or losses from mines on such lands are to be taken into consideration in determining the rents and royalties payable under this lease and to seize and distrain all minerals which have been worked or brought to the surface of such lands and to seize and distrain all goods, chattels, plant, machinery, equipment and fixtures of the Lessee or any such person or corporation and such distress and distresses then and there found to take, keep, lead and carry away and sell and dispose of in order to pay and satisfy the said rents, royalties and sums of money which shall be so in arrear and also the reasonable costs and expenses of such distress and distresses and sale or sales rendering the overplus (if any) to the Lessee.

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AND the Lessee waives and renounces the benefit of any present or future Act of the Legislature of the Province of Ontario taking away or limiting the landlord's right of distress and agrees with the Lessor that, notwithstanding any such Act, the Lessor may seize upon and sell all the Lessee's goods and chattels for payment of rent, royalties, sums of money payable to the Lessor hereunder, and costs as might have been done if such Act had not been passed.

THE Lessee further agrees that if he leaves the leased premises leaving any rent, royalties, or sums of money owing to the Lessor under this lease unpaid, the Lessor, in addition to any remedy otherwise provided by law, may seize and sell the goods and chattels of the Lessee, at any place to which the Lessee or any other person may have removed them, in the same manner as if such goods and chattels had remained and been distrained upon the demised premises.

TIME shall be strictly of the essence of this lease, and the extension of the time for any payment or performance of any covenant herein shall not be deemed a waiver of the term that time shall be strictly of the essence of this lease in respect of all other payments or covenants.

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ANY notice required to be served hereunder by the Lessor on the Lessee shall be deemed personally served when placed in an envelope, sealed, registered and deposited in any Post Office of the United States or Canada, addressed to the manager or other person notified to the Lessor as "the name and address for service" as provided in Schedule II hereto, and until such notice has been given by the Lessee to the Lessor, addressed as follows:

Soocana Gold Mines Limited, c/o Messrs. Hamilton & Carmichael,
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IT is agreed between the Lessor and the Lessee that the covenants, terms and conditions of this lease shall run with the land and shall both bind and benefit the heirs, executors, administrators, successors and assigns of the Lessor and Lessee respectively.

IN the event of there being more than one Lessee, each Lessee shall be bound to perform and observe each and every covenant, term and condition herein contained, and all covenants shall be deemed to be made jointly and severally by such Lessees.

"Railway Lands" shall mean lands, mines or mineral rights, wherever situate, of which the freehold, either in possession or reversion, and either at law or in equity, is in the Lessor.

"Mine" shall include any opening or excavation in, or working of the ground for the purpose of winning, opening up or proving any mineral or mineral-bearing substance, and any ore body, metal, mineral deposit, stratum, vein or seam, or cement, or place where mining is or may be carried on, and all ways, works, machinery, plant, buildings, and premises below or above ground belonging to or used in connection with the mine.

"Mine Assessor" shall mean the person so designated from time to time by the Lessor.

"Ton" and "Long Ton" shall mean two thousand two hundred and forty (2,240) pounds avoirdupois.

THE words "Lessor" and Lessee" and the personal pronouns "he" or "his" relating thereto and used therewith, shall be read and construed as "Lessor or Lessors", "Lessee or Lessees", and "it, its, she, her, them or their" respectively and vice versa, as the number and gender of the party or parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun substituted, and generally words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine, and words importing persons shall include firms and corporations and vice versa.

All rights, powers and remedies in this lease contained may be exercised from time to time, and all powers, rights and remedies of the Lessor shall be cumulative and shall not exclude any other powers, rights or remedies given by law. Nothing in any clause, covenant, term or condition in this lease contained shall in any manner abridge or restrict any rights or powers given by any other such clause, covenant, term or condition except where the context necessarily so requires, nor shall any rights or powers be given by implication from the inclusion herein of any such clause, covenant, term or condition.

IN WITNESS WHEREOF the Parties hereto have duly executed these presents.

Witness:

Executed by the Lessee in the presence of:

R. E. King
By the Lessor

By the Lessee
L. V. Yale

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

E. B. Barber — Seal
Vice-President

G. S. Saunderson
Secretary

THE SOOCANA GOLD MINES LIMITED
Lessee

C. A. Saunders — Seal
President.

Edward Thompson
Secretary,

SCHEDULE I

RULES FOR THE DETERMINATION OF ROYALTIES

For the purpose of determining the royalties payable hereunder the following rules shall prevail:

(1) Mines other than iron and pyrites mines.

The annual profits shall be ascertained and fixed in the following manner, that is to say: The gross receipts from the year's output of the mine, or in case the ore, mineral or mineral-bearing substance or any part thereof is not sold, but is treated by or for the Lessee, upon the premises or elsewhere, then the actual market value of the output, at the pit's mouth, or if there is no means of ascertaining the market value, or if there is no established market price or value, the value of the same as appraised by the mine assessor shall be ascertained, and from the amount so ascertained, the following, and no other, expenses, payments, allowances or deductions, shall be deducted and made, that is to say:

(a) The actual cost of transportation of any output sold if paid or borne by the Lessee;

(b) The actual and proper working expenses of the mine, both underground and above ground, including salaries and wages of necessary superintendents, captains, foremen, workmen, firemen, enginemen, labourers and employees of all sorts employed at or about the mine, together with the actual and proper salaries and office expenses for the necessary office work done at the mine, and in immediate connection with the operation thereof;

(c) The cost of supplying power and light, and of hire of horses used in the mining operation or in handling the ore or mineral;

(d) The actual cost price of food and provisions for all employees aforesaid, whose salaries or wages are made less by reason of being furnished therewith, and of fodder for horses used as above mentioned;

(e) The actual cost price of explosives, fuel and any other supplies necessarily consumed in the mining operations;

(f) Any actual and proper outlay incurred in safekeeping or protecting the mine or mineral product;

(g) The cost of proper insurance upon the output if paid or borne by the Lessee, and upon the mining plant, machinery, equipment and buildings used for or in connection with the actual mining operations, or for storing the ore or mineral;

(h) An allowance of a sum for annual depreciation, by ordinary wear and tear, of the said plant, machinery, equipment and buildings, such sum to be based upon the probable annual average cost of repairs and renewals necessary to maintain the same in a condition of efficiency and in no case to exceed for any year fifteen (15) per centum of the value at the commencement of such year, such value to be appraised by the mine assessor;

(i) The cost of actual work done in sinking new shafts, making new openings, workings, or excavations of any kind, or of stripping or trenching, in or upon the lands upon which the mine is situated, or upon any other Railway Lands leased or claimed by the Lessee, such work having for its object the opening up or testing for ore or mineral; Provided, however, that such expenditure is bona fide, and actually made or borne by the Lessee, and that separate accounts of such expenditure are kept and an affidavit or affidavits giving reasonable details of the nature, extent and location of such work shall be furnished to the Lessor with the annual statement hereinafter provided for;

(j) All taxes payable or profits taken under any Act of the Parliament of Great Britain and Ireland (insofar as the same are referable to operations carried on in Great Britain or Ireland) or of the Parliament of the Dominion of Canada, upon or from the profits of the mine or mining work or upon or from the profits made in smelting, refining or otherwise treating any of the products of the mine or mineral work.

No allowance or deduction shall in any case be made for cost of plant, machinery, equipment or buildings, nor for capital invested, nor for interest or dividend upon capital, or stock or investment, nor for depreciation in the value of the mine, mining land, or mining property by reason of exhaustion or partial exhaustion of the ore or mineral, but this shall not restrict the generality of anything hereinbefore contained.

All mines and mineral workings on Railway Lands occupied, worked or operated by the same person, firm or corporation, or under the same general management or control, or the profits of which accrue to the same person, firm or corporation, shall for the purpose of determining whether there is liability to royalty hereunder, be deemed to be and be dealt with as one and the same mine and not as separate mines.

(2) Iron and pyrites mines

For the purpose of ascertaining the number of tons mined in any month, the amount of ore raised during such month as shown on the records of the mine shall be accepted subject to correction.

Where ore has been concentrated, roasted, or otherwise treated before shipment so as to reduce its gross weight at pit mouth, royalties shall be based upon the weight of such ore after it has been prepared for shipment by being concentrated, roasted or otherwise treated, and such royalties shall increase over those charged for raw ores in the same ratio as such ores are concentrated, that is to say, if two tons of raw ore shall be required to make one ton of ore after treatment, the royalty on such finished product shall be Twenty Cents (20c) per long ton.

SCHEDULE II

NOTICES, ANNUAL STATEMENTS, KEEPING OF BOOKS, ETC.

(1) Notice of commencement and discontinuance of operations.

The Lessee shall within ten (10) days after the commencement of operations for taking ore, minerals, or mineral-bearing substances from the mine, notify the Lessor of the fact that such mine is in active operation, and shall give in such notice the name of the mine, and the name and address of the Lessee, manager and operator of such mine, and the name and address of the manager, or of some other person, to whom notices to be given under this lease may be sent (to be known as "the name and address for service"), and shall forthwith notify the Lessor of every change in the name and address of such manager or person, and of every change in the management or operation of such mine, and of every discontinuance of active operations, and of every recommencement thereof after discontinuance. And shall not ship, send, take or carry away, or permit to be shipped, sent, taken or carried away from the mine from which the same has been taken, any ore, mineral, or mineral-bearing substance, or any product thereof, until he shall have notified the Lessor that the mine from which the same has been taken is in active operation, as aforesaid.

(2) Annual statement.

The Lessee shall without any notice or demand to that effect, in addition to any other statements which may otherwise be required, on or before the first day of March in every year, deliver to the Lessor a detailed statement in which

or claimed by the Lessee, such work having for its object the opening up or testing for ore or mineral; Provided, however, that such expenditure is bona fide, and actually made or borne by the Lessee, and that separate accounts of such expenditure are kept and an affidavit or affidavits giving reasonable details of the nature, extent and location of such work shall be furnished to the Lessor with the annual statement hereinafter provided for;

(j) All taxes payable or profits taken under any Act of the Parliament of Great Britain and Ireland (insofar as the same are referable to operations carried on in Great Britain or Ireland) or of the Parliament of the Dominion of Canada, upon or from the profits of the mine or mining work or upon or from the profits made in smelting, refining or otherwise treating any of the products of the mine or mineral work.

No allowance or deduction shall in any case be made for cost of plant, machinery, equipment or buildings, nor for capital invested, nor for interest or dividend upon capital, or stock or investment, nor for depreciation in the value of the mine, mining land, or mining property by reason of exhaustion or partial exhaustion of the ore or mineral, but this shall not restrict the generality of anything hereinbefore contained.

All mines and mineral workings on Railway Lands occupied, worked or operated by the same person, firm or corporation, or under the same general management or control, or the profits of which accrue to the same person, firm or corporation, shall for the purpose of determining whether there is liability to royalty hereunder, be deemed to be and be dealt with as one and the same mine and not as separate mines.

(2) Iron and pyrites mines

For the purpose of ascertaining the number of tons mined in any month, the amount of ore raised during such month as shown on the records of the mine shall be accepted subject to correction.

Where ore has been concentrated, roasted, or otherwise treated before shipment so as to reduce its gross weight at pit mouth, royalties shall be based upon the weight of such ore after it has been prepared for shipment by being concentrated, roasted or otherwise treated, and such royalties shall increase over those charged for raw ores in the same ratio as such ores are concentrated, that is to say, if two tons of raw ore shall be required to make one ton of ore after treatment, the royalty on such finished product shall be Twenty Cents (20c) per long ton.

SCHEDULE II

NOTICES, ANNUAL STATEMENTS, KEEPING OF BOOKS, ETC.

(1) Notice of commencement and discontinuance of operations.

The Lessee shall within ten (10) days after the commencement of operations for taking ore, minerals, or mineral-bearing substances from the mine, notify the Lessor of the fact that such mine is in active operation, and shall give in such notice the name of the mine, and the name and address of the Lessee, manager and operator of such mine, and the name and address of the manager, or of some other person, to whom notices to be given under this lease may be sent (to be known as "the name and address for service"), and shall forthwith notify the Lessor of every change in the name and address of such manager or person, and of every change in the management or operation of such mine, and of every discontinuance of active operations, and of every recommencement thereof after discontinuance. And shall not ship, send, take or carry away, or permit to be shipped, sent, taken or carried away from the mine from which the same has been taken, any ore, mineral, or mineral-bearing substance, or any product thereof, until he shall have notified the Lessor that the mine from which the same has been taken is in active operation, as aforesaid.

(2) Annual statement.

The Lessee shall without any notice or demand to that effect, in addition to any other statements which may otherwise be required, on or before the first day of March in every year, deliver to the Lessor a detailed statement in which shall be set forth,—

(a) the name and description of the mine;

(b) the name and address of the person or persons leasing, managing and operating the same;

(c) the quantity of ore, minerals and mineral-bearing substances shipped or sent from or treated on the mining premises during the year ending thirty-first December last preceding;

(d) the name or names of the smelter or mill and locality to which the same or any part thereof was sent;

(e) the cost per ton for transportation to the smelter, refinery or mill, and actual, proper and necessary expenses of making sale, if any, and by whom paid or borne;

(f) the cost per ton for smelter or mill charges, and by whom paid or borne;

(g) the quantity of ore, minerals and mineral-bearing substances treated on the mining premises during said year;

(h) the value of the ore, minerals and mineral-bearing substances shipped after deducting the charges for making sales, and for transportation or for treatment;

(i) the value of the ore, minerals and mineral-bearing substances treated on the mining premises.

And such statement shall also show in another column or columns, with reasonable detail, the various expenses, payments, allowances and deductions which are proper to be made under the provisions of this lease; and such statement shall show by way of summary the total receipts or market value at the pit's mouth of the year's output, as in this lease specified, and the total amount of expenses, payments, allowances and deductions proper under this lease to be deducted therefrom, and the balance of profits for the year as in this lease provided.

And such statement and information shall be made and furnished by and under the oath of the Lessee, or if a corporation, by an officer thereof, or by the manager, occupier or operator of such mine; but the Lessor may require such information and statement, or any part thereof, to be given or verified under oath and by any other or others of such persons, or by any person connected with the operation or management of any such mine, and may in addition to the particulars above detailed require any other information, particulars or statement that may be thought expedient, and such requisition or requisitions may be made at any time or times the same may be deemed proper.

Provided that insofar as the information required by this Schedule is included in returns made to the Government of the Province of Ontario, the furnishing to the Lessor of duplicate copies of such returns shall be a sufficient compliance with the requirements thereof.

(3) Plans.

The Lessee shall on or before the first day of March in each and every year during the currency of this lease file with the Lessor accurate plans of all underground workings at that date on the lands demised.

(4) Books of account.

The Lessee shall keep, at or near the mine, proper books of account of the ore, minerals or mineral-bearing substa taken from the said mine, containing the quantity, weight and other particulars of the same and the value thereof, showing the returns of the amounts derived from the sale of such ores, minerals and mineral-bearing substances; and that ore, mineral or mineral-bearing substance taken out of any mine shall be removed therefrom or treated at any smelter, n

or refining works until the weight thereof shall have been correctly ascertained and entered in the said books of account; and to keep proper books showing each of the several expenses, payments, allowances or deductions mentioned herein, and showing any other facts and circumstances necessary or proper for ascertaining the amount of the royalty payable. If any doubt arises as to where such book or books shall be kept, or as to how many, or what books shall be kept, the mine assessor shall determine the number and character of books to be kept and the place or places at which they shall be kept.

(5) Inspection of records, etc.

The Lessee shall permit the Lessor through its agents, employees or appointees to enter upon the demised premises for the purpose of inspecting any records, checking any weights, or other thing, to ascertain the true weight or value of any ore mined on the said premises, and for this purpose the Lessee shall grant every assistance to the Lessor's agents, employees or appointees.

(6) Upon expiration of Lease.

The Lessee shall upon the expiration or other sooner determination of this lease deliver up to the Lessor all plans, records, assay reports and other information concerning the work carried on by the Lessee on the said premises and leave all diamond drill cores properly cared for, designated and housed in a suitable place on the said premises.

SCHEDULE III

RULES RESPECTING THE OPERATION OF MINES

(1) The Lessee shall observe in working and getting the demised mines and minerals all statutory provisions and lawful orders made by any competent authority for the time being in force relating to the working of mines and the getting of minerals of a like nature.

(2) The Lessee shall work and get the demised mines in a skilful and workmanlike manner according to the most approved practice for the time being adopted in similar mines in the province, and leave sufficient support for the surface of the said lands and adjoining or neighbouring lands, and for any buildings, works, operations and improvements thereon, and for the railway line of the Lessor. Provided that the Lessee may let down the surface upon obtaining the consent in writing of the Lessor.

(3) The Lessee shall conduct all mining or other operations on the said lands in such a manner as not to interfere with the enjoyment of adjoining or neighbouring lands and shall not roast any ore containing sulphur or other deleterious substances in the open air on the said lands or treat the same in such a way as to expose trees or other vegetation on the said lands or on adjoining or neighbouring lands to injury, and shall not divert, stop, dam up or pollute any rivers, streams, watercourses, springs or other waters.

(4) The Lessee shall make compensation and satisfaction to the Lessor and to other owner or owners, occupier or occupiers for the time being of the lands or any part thereof upon, over or in relation to which the liberties, powers and authorities hereby granted are hereby expressed to be made exercisable and to the owner or owners, occupier or occupiers of all other lands and grounds for any damage or injury which shall be done or occasioned by the exercise of the said liberties, powers and authorities or any of them to the surface of any lands or to any buildings, works, railways, bridges or other works or erections now erected or made or to be hereafter erected or made on any such lands or to any trees, fruit trees, bushes, shrubbery, vestures or crops standing or growing thereon or to any rivers, streams and watercourses or otherwise, and whether such damage shall have been occasioned by pit banks, rubbish heaps, railways, roads, creeps, shrinkings, smoke or vapour, or otherwise howsoever as the Lessor or such owner or owners, occupier or occupiers respectively shall or may be lawfully entitled to or for or in respect of such damage or injury, and this provision shall be applicable for any such damage or injury occasioned by letting down the surface whether or not the Lessee shall have obtained the Lessor's permission therefor.

(5) The Lessee shall keep the Lessor indemnified against all actions, suits, causes of action, liabilities, claims, demands, costs, charges, losses and expenses of every kind whatsoever to which the Lessor its estate or effects can or may be subject or liable in consequence of any such damage or injury as aforesaid or of any act or omission of the Lessee.

Dated August 1st, 1940.

The Algoma Central and Hudson Bay Railway Company

—TO—

BOOCHA GOLD MINES, LIMITED

Mining Lease

FOR YEARS

Commencing August 1st, 1940.

Ending July 31st, 2039.

APPENDIX "A"

FIRSTLY:

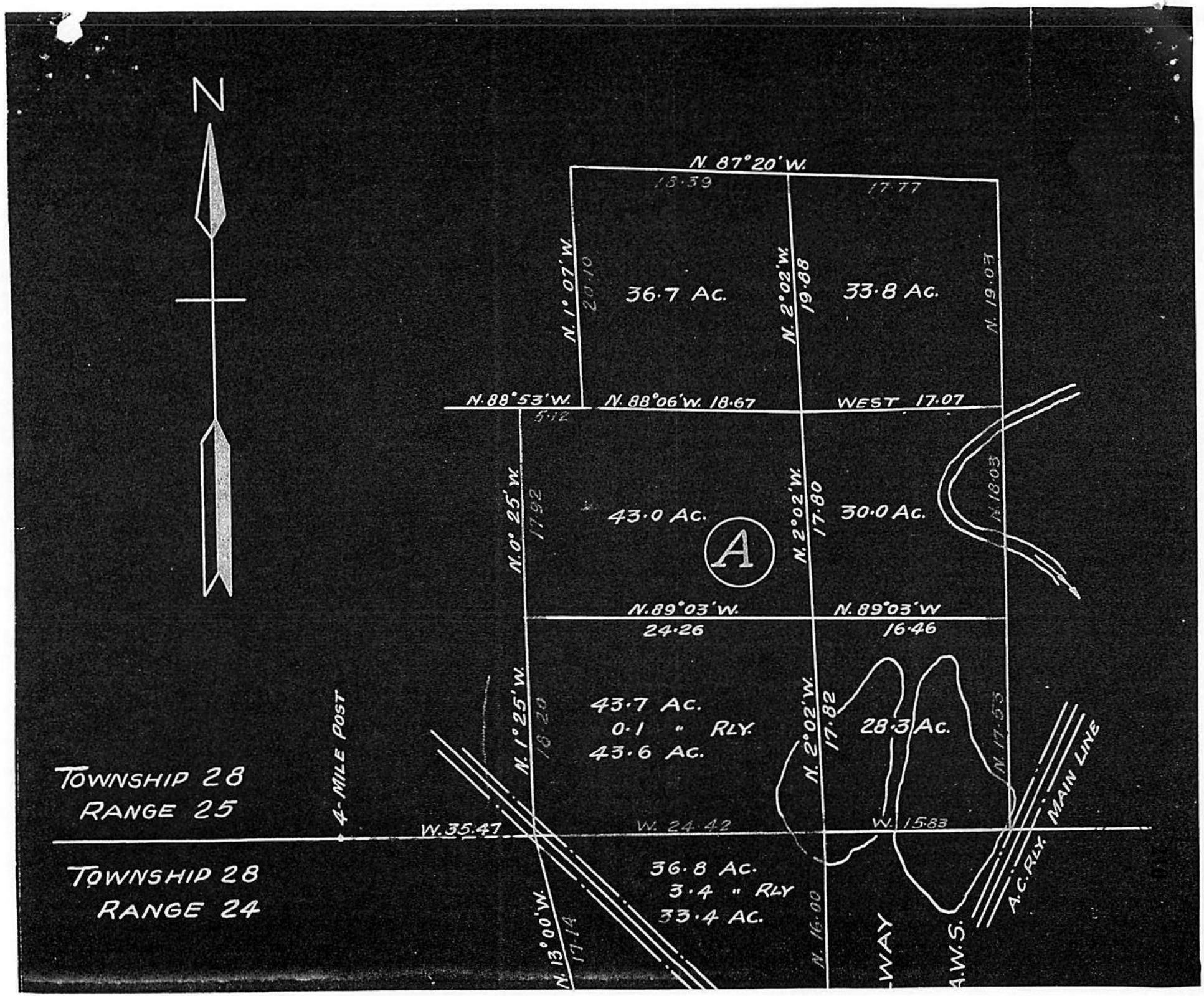
Commencing at the Number Four (04) mile post on the South limit of Township 28, Range 25, thence East astronomically along the said South limit thirty-five (35) chains forty-seven (47) links to the place of beginning. Thence East astronomically forty (40) chains twenty-five (25) links; Thence North astronomically fifty-four (54) chains fifty-nine (59) links; Thence North eighty-seven (87) degrees twenty (20) minutes West thirty-six (36) chains sixteen (16) links; Thence South One (01) degree seven (07) minutes East twenty (20) chains ten (10) links; Thence North eighty-eight (88) degrees fifty-three (53) minutes West five (05) chains twelve (12) links; Thence South No (0) degrees twenty-five (25) minutes East seventeen (17) chains ninety-two (92) links; Thence South one (01) degree twenty-five (25) minutes East eighteen (18) chains twenty (20) links more or less to the place of beginning SAVING and EXCEPTING the Right-of-Way of The Algoma Central and Hudson Bay Railway, and containing by admeasurement two hundred and fifteen and four-tenths (215.4) acres more or less, as shown outlined in red and marked "A" on the attached plan.

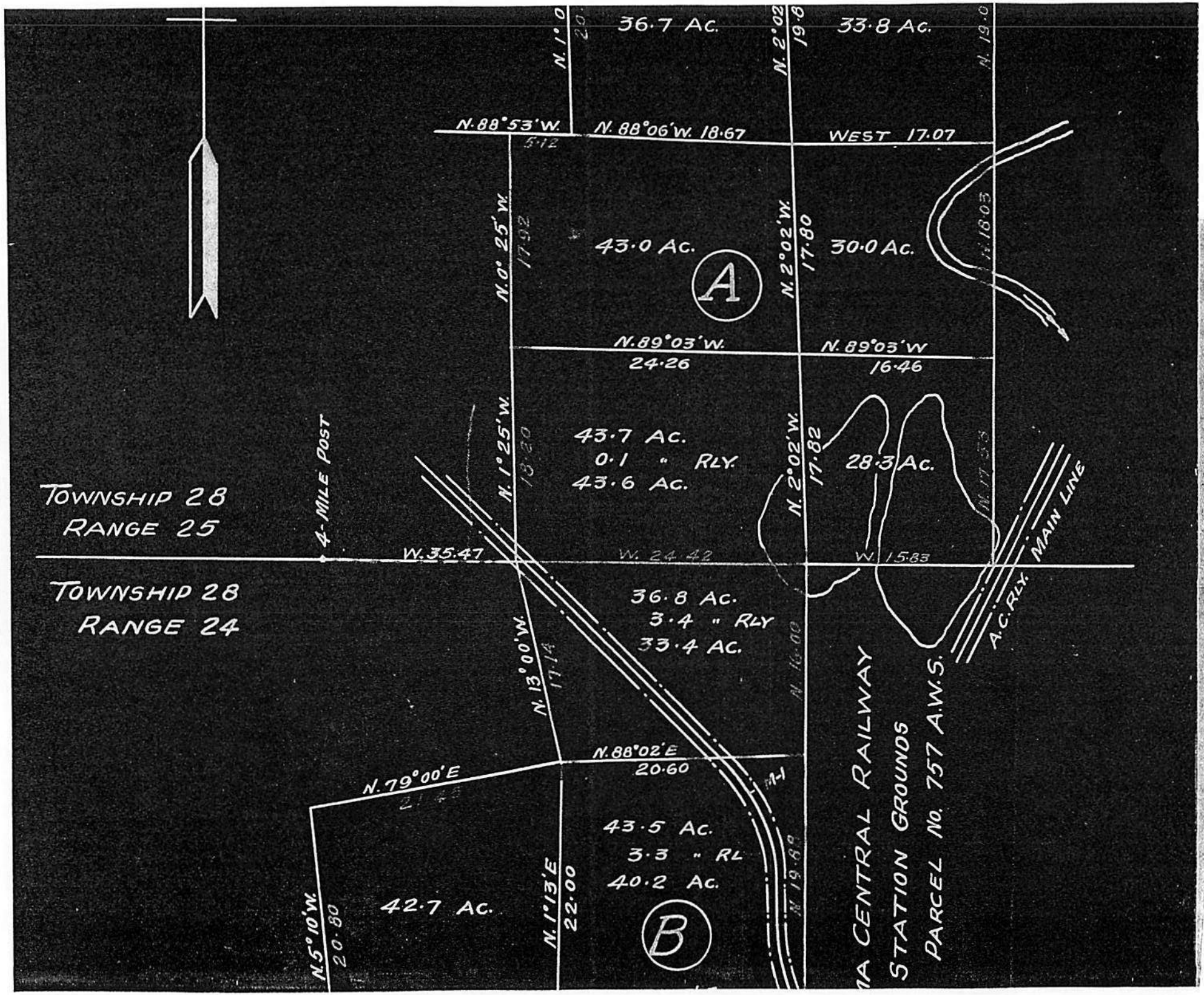
SECONDLY:

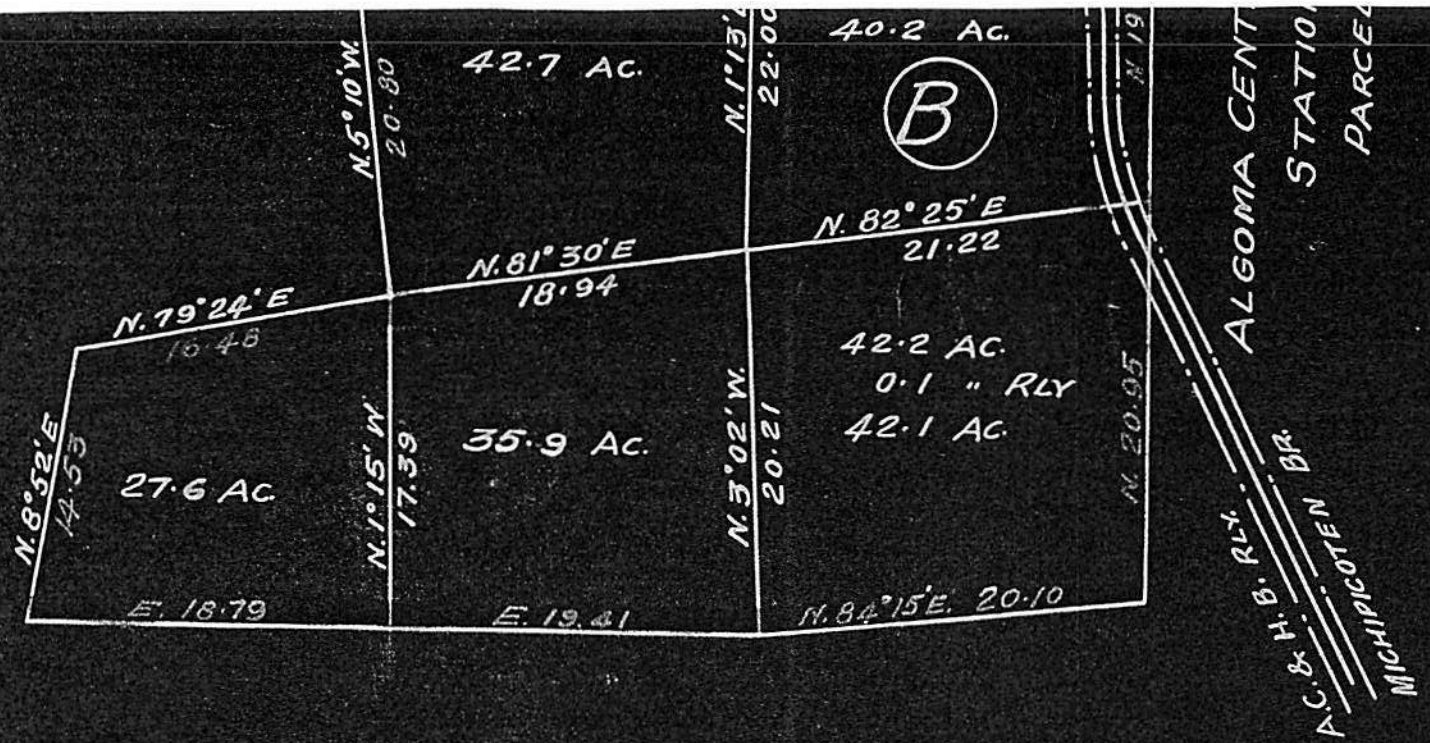
Commencing at the Number Four (04) mile post on the Northerly limit of Township 28, Range 24, thence East astronomically along said North limit thirty-five (35) chains forty-seven (47) links to the place of beginning; Thence South thirteen (13) degrees East seventeen (17) chains fourteen (14) links; Thence South seventy-nine (79) degrees West twenty-one (21) chains forty-five (45) links; Thence South five (05) degrees ten (10) minutes East twenty (20) chains eighty (80) links; Thence South seventy-nine (79) degrees twenty-four (24) minutes West sixteen (16) chains forty-eight (48) links; Thence South eight (08) degrees fifty-two (52)

minutes East fourteen (14) chains fifty-three (53) links; Thence East astronomically thirty-eight (38) chains twenty (20) links; Thence North eighty-four (84) degrees fifteen (15) minutes East twenty (20) chains ten (10) links more or less to a point on the Westerly limit of Parcel 757 Algoma West Section; Thence North astronomically along said Westerly limit of Parcel 757 Algoma West Section fifty-six (56) chains eighty-three (83) links to a point on the Northerly limit of Township 26, Range 24; Thence West astronomically along the said Northerly limit twenty-four (24) chains, forty-two (42) links more or less to the place of beginning, SAVING and EXCEPTING the Right-of-Way of The Algoma Central and Hudson Bay Railway, and containing by admeasurement two hundred and twenty-one and nine-tenths (221.9) acres more or less, as shown outlined in red and marked "B" on the attached plan.

The said Lessor is the registered owner of the freehold land registered in the Office of Land Titles at Sault Ste. Marie, Ontario, as Parcel Number 845 in the register for the District of Algoma West Section, and the land above described is part of the said parcel.


N
N. 87°20'W.
13.39
17.77
N. 1°07'W.
20.10
36.7 Ac.
N. 2°02'W.
19.88
33.8 Ac.
N. 19.03
N.88°53'W.
5.12
N. 88°06'W. 18.67
WEST 17.07
N.0° 25'W.
17.92
43.0 Ac.
A
N. 2°02'W.
17.80
30.0 Ac.
N. 18.03
N.89°03'W.
24.26
N. 89°03'W
16.46
N. 1°25'W.
18.20
43.7 Ac.
0.1 " RLY.
43.6 Ac.
N. 2°02'W.
17.82
28.3 Ac.
N. 17.53
4-MILE POST
TOWNSHIP 28
RANGE 25
W.35.47
W. 24.42
W. 15.83
MAIN LINE
A.C. RLY.
TOWNSHIP 28
RANGE 24
36.8 Ac.
3.4 " RLY
33.4 Ac.
N. 13°00'W.
17.14
N. 16.00
WAY
A.W.S.


36.7 Ac.
33.8 Ac.
N. 1°0
N. 2°02
N. 19.0
N.88°53'W.
N. 88°06'W. 18.67
WEST 17.07
5.12
N.0° 25'W.
17.92
43.0 Ac.
A
N.2°02'W.
17.80
30.0 Ac.
N.89°03'W.
24.26
N.89°03'W
16.46
N.1°25'W.
13.20
43.7 Ac.
0.1 " RLY.
43.6 Ac.
N.2°02'W.
17.82
28.3 Ac.
4-MILE POST
TOWNSHIP 28
RANGE 25
W.35.47
W. 24.42
W. 15.83
TOWNSHIP 28
RANGE 24
36.8 Ac.
3.4 " RLY
33.4 Ac.
N.13°00'W.
17.14
N.88°02'E
20.60
N.79°00'E
43.5 Ac.
3.3 " RL
40.2 Ac.
N.1°13'E
22.00
B
42.7 Ac.
N.5°10'W.
20.80
A.C.RLY. MAIN LINE
MA CENTRAL RAILWAY
STATION GROUNDS
PARCEL No. 757 A.W.S.



THE ALGOMA CENTRAL AND HUDSON BAY RY. CO.

PLAN OF PART OF

TOWNSHIP 28 RANGES 24 & 25

DISTRICT OF ALGOMA — PROVINCE OF ONTARIO

TO ACCOMPANY MINING LEASE

WITH SOOCANA GOLD MINES LIMITED

437.30 ACRES

SCALE 1 IN. = 10 CHAINS DATED AUG. 1 ST 1940

This plan accurately shows the boundaries, measurements and location of the land leased by THE ALGOMA CENTRAL & HUDSON BAY RAILWAY COMPANY to

by annexed mining lease.

The Algoma Central and Hudson Bay Railway Company

President.

Secretary.

COPY

LAND TITLES ACT

I, D. V. Yale of the City of Sault Ste. Marie in the State of Michigan make oath and say:

I am a director of Toscana Gold Mines Ltd

Clyde A. Saunders whose signature is also affixed to the annexed document is the President of the said Company, and Edward Thompson whose signature is also affixed thereto, is the Secretary thereof, and the seal affixed thereto is the Corporate Seal of the said Company.

Under the By-laws of the said Company, the President and Secretary are empowered to execute on behalf of the Company all deeds and other instruments requiring the seal of the Company.

I am well acquainted with the said Clyde A. Saunders and Edward Thompson and saw them execute the said document, and I am a subscribing witness thereto.

Sworn before me at the City of Sault Ste Marie in the State of Michigan this eleventh day of December A.D. 1940.

D. V. Yale

Sam C. Taylor, Notary Public, Chippewa County Michigan A Commissioner, etc.

(Seal)

My commission expires July 6, 1943

LAND TITLES ACT

I, Ralph Eugene King, of the City of Sault Ste. Marie in the District of Algoma make oath and say:

I am Assistant Secretary of THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY. E. B. Barber, whose signature is also affixed to the annexed document is the President of the said Company, and G. S. Saunderson, whose signature is also affixed thereto, is the Secretary thereof, and the seal affixed thereto is the Corporate Seal of the said Company.

Under the By-Laws of the said Company, the President and Secretary are empowered to execute on behalf of the Company all deeds and other instruments requiring the seal of the Company.

I am well acquainted with the said E. B. Barber and G. S. Saunderson and saw them execute the said document, and I am a subscribing witness thereto.

The said Company is, I verily believe, the owner of the land mentioned in the said document.

Sworn before me at the City of Sault Ste. Marie, in the District of Algoma this 27th day of December A.D. 1940.

Ralph Eugene King

J. Lepew

A Commissioner.

COPY

AGREEMENT

BETWEEN

SOOCANA GOLD MINES LIMITED
WILLIAM GEORGE HERBERT BENNETT
-and-
EDWARD THOMPSON
-and-
THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

No. N-882 Number of sheets attached.....

Re ASSIGNMENT OF MINING LEASE

We acknowledge having received..... complete copies
With epitomes of above agreement.

Signature	Designation	Date

NOTE:—Distribution is only made to heads of Depts. interested. Every officer whose signature appears above will be held solely responsible for the due fulfillment of that portion of the agreement affecting his Department.

Copy agreements to be filed separately from these forms, the latter in respect of all subjects being batched together so as to make a series of permanent diaries.

63574

Note:—By keeping this to the front during the currency of this agreement nothing can be overlooked, as under the month and date appear those items to which periodical attention must be paid; read this in conjunction with epitome.

DIARY

In respect of agreement No. N-882 Re ASSIGNMENT OF MINING LEASE Soocana Gold Mines Limited to Edward Thompson

	Jan.		July 2nd - Date of assignment (Term of original lease 99 years)
	Feb.		Aug.
	Mar.		Sept.
	April		Oct.
	May		Nov.
	June		Dec.

EPITOME NO. N-882	ASSIGNMENT OF MINING LEASE
DATED:	JULY 2, 1947
PARTIES:	SOOCANA GOLD MINES LIMITED WILLIAM GEORGE HERBERT BENNETT -and- EDWARD THOMPSON -and- THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY
CONSIDERATION:	ONE DOLLARS ($1.00)
PREMISES:	ALL AND SINGULAR those certain parcels or tracts of lands and premises in Township 28, Ranges Twenty-four (24) and Twenty-five (25) in the District of Algoma in the Province of Ontario, and being composed of Two Hundred and Twenty-one and Nine Tenths (221.9) acres in the Northeasterly part of Township 28, Range 24, and Two Hundred and Fifteen and Four Tenths (215.4) acres in the Southeasterly part of Township 28, Range 25.

THIS INDENTURE made the 2nd day of July, One Thousand, Nine Hundred and Forty-seven.

B E T W E E N:

SOOCANA GOLD MINES LIMITED -and- WILLIAM GEORGE HERBERT BENNETT, of the City of Sault Ste. Marie, in the District of Algoma, Solicitor, the liquidator of Soocana Gold Mines Limited, hereinafter called the "Assignors"

OF THE FIRST PART

-and-

EDWARD THOMPSON, of the City of Sault Ste. Marie, in the State of Michigan, Trustee, hereinafter called the "Assignee"

OF THE SECOND PART

-and-

ALGOMA CENTRAL & HUDSON BAY RAILWAY COMPANY hereinafter called the "Party"

OF THE THIRD PART

WHEREAS by a Lease dated the 1st day of August, 1940, made between the Algoma Central and Hudson Bay Railway Company as Lessor and the said Soocana Gold Mines Limited as Lessee, the said Lessor did demise unto the said Lessee the following lands:

All and singular those certain parcels or tracts of lands and premises in Township 28, Ranges Twenty-four (24) and Twenty-five (25) in the District of Algoma in the Province of Ontario, and being composed of Two Hundred and Twenty-one and Nine-tenths (221.9) acres in the Northeasterly part of Township 28, Range 24, and Two Hundred and Fifteen and Four Tenths (215.4) acres in the Southeasterly part of Township 28, Range 25,

which are more particularly described in Appendix "A" of the said Lease;

TO HOLD from the 1st day of August, 1940, for the term of 99 years, subject to the Lessee's covenants and agreements contained in the said Lease.

AND WHEREAS the said William George Herbert Bennett was appointed Liquidator of the said Soccana Gold Mines Limited on the 9th day of November, 1946, and he has agreed to sell the said lands to the Assignee for the residue of the term granted by the said lease for the price of One ($1.00) Dollar.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said Agreement and in consideration of the sum of One ($1.00) Dollar, the said Liquidator in exercise of the power for this purpose conferred on him by the Companies Act, Revised Statutes of Ontario, 1937 Chapter 251, hereby grants and assigns the said lands unto the Assignee.

TO HAVE AND TO HOLD the said lands unto the Assignee, his heirs, executors, administrators and assigns, subject to the payment of the said rents and the observance and performance of the Lessee's covenants and conditions in the said Lease contained.

AND the Assignee hereby covenants with the Assignor that the Assignee shall and will, from time to time during the residue of the said term granted by the said Lease and every renewal thereof, pay the rent and perform the Lessee's covenants, conditions and agreements therein respectively reserved and contained,

and indemnify and save harmless the Assignor therefrom and from all actions, suits, costs, losses, charges, damages and expenses for or in respect thereof.

AND in consideration of the Party of the Third Part consenting to the aforesaid Assignment of Lease by the Assignor to the Assignee, and in pursuance of the provision contained in the said Lease, in respect to the Assignment or subletting thereof, the Assignee covenants and agrees with the Party of the Third Part to pay the rents and royalties and perform all of the covenants contained in the said lease. In consideration of the covenant by the Assignee as aforesaid, to pay the rents and royalties and perform all of the covenants contained in the said Lease, the Party of the Third Part hereby consents to the said Assignment of Lease by the Assignor to the Assignee.

AND it is hereby declared and agreed that this indenture shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators and assigns respectively.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals, the day and year first above written.

SIGNED, SEALED and DELIVERED in the presence of	
"E. Elliott"	"W. G. Herbert Bennett (seal) Liquidator of Soocana Gold Mines Ltd. SOOCANA GOLD MINES LIMITED (SEAL) By, "W. G. Herbert Bennett"
"C. B. Ryan"	"Edward Thompson" (seal) Edward Thompson ALGOMA CENTRAL & HUDSON BAY RAILWAY COMPANY By, "E. B. Barber" (Seal) Preside "G. S. Saunderson" Secre

CANADA)	I, ELORN ELLIOTT
PROVINCE OF ONTARIO	of the City of Sault Ste. Marie,
District of Algoma	in the District of Algoma,
To Wit:	Stenographer, make oath and say:

1. THAT I was personally present and did see the within Assignment duly signed, sealed and executed by Soocana Gold Mines, Limited, William George Herbert Bennett, Liquidator, and Edward Thompson, two of the parties thereto.

2. THAT I know the said parties and that the name "E. Elliott" set and subscribed as a witness to the execution thereof, is the proper handwriting of me, this deponent.

3. THAT the said Assignment was executed at the City of Sault Ste. Marie, in the District of Algoma, on the 29th day of August, A.D. 1947.

SWORN before me at the City of Sault Ste. Marie, in the District of Algoma, this 29th day of August, A.D. 1947.	"E. ELLIOTT"

"H. F. Hamilton"
A Commissioner, etc.

C A N A D A PROVINCE OF ONTARIO District of Algoma To Wit:	I, "WILLIAM GEORGE HERBERT BENNETT" of the City of Sault Ste. Marie, in the District of Algoma, Solicitor, make oath and say:

1.- THAT I was personally present and did see the within Assignment duly signed, sealed and executed by Edward Thompson and Ira L. Whitehead, two of the parties thereto.

2.- THAT I know the said parties and that the name "W. G. Herbert Bennett" set and subscribed as a witness to the execution thereof, is the proper handwriting of me, this deponent.

3.- THAT the said Assignment was executed at the City of Sault Ste. Marie, in the District of Algoma, on the 28th day of August, A.D. 1947.

SWORN before me at the City of Sault Ste. Marie in the District of Algoma this 10th day of September A.D. 1947.	"W. G. Herbert Bennett"

"D. E. Carmichael"
A Commissioner, etc.

COPY

Mining lease

5 ✓

AGREEMENT

BETWEEN

EDWARD THOMPSON

and

IRA L. WHITEHEAD

and

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

No. N-883 Number of sheets attached

Re Assignment of Mining Lease

We acknowledge having received ..... complete copies With epitomes of above agreement.

Signature	Designation	Date

NOTE:—Distribution is only made to heads of Depts. interested. Every officer whose signature appears above will be held solely responsible for the due fulfillment of that portion of the agreement affecting his Department.

Copy agreements to be filed separately from these forms, the latter in respect of all subjects being batched together so as to make a series of permanent diaries.

6357

Note:—By keeping this to the front during the currency of this agreement nothing can be overlooked, as under the month and date appear those items to which periodical attention must be paid; read this in conjunction with epitome.

DIARY

In respect of agreement No. N-883 Re Assignment of Mining/Lease Edward Thompson to Ira L. Whitehead

	Jan.		July
	Feb.		Aug. 28, 1947 - date of Assignment (Term of original lease 99 years)
	Mar.		Sept.
	April		Oct.
	May		Nov.
	June		Dec.

EPITOME No. N-883	ASSIGNMENT OF MINING LEASE
DATED:	AUGUST 28, 1947
PARTIES:	EDWARD THOMPSON -and- IRA L. WHITEHEAD -and- THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY
CONSIDERATION:	ONE DOLLAR ($1.00)
PREMISES:	All and singular those certain parcels or tracts of lands and premises in Township 28, Ranges Twenty-four (24) and Twenty-five (25) in the District of Algoma in the Province of Ontario, and being composed of Two Hundred and Twenty one and nine-tenths (221.9) acres in the northeasterly part of Township 28, Range 24, and Two Hundred and Fifteen and Four-tenths (215.4) acres in the South-easterly part of Township 28, Range 25, [illegible]

THIS INDENTURE made the 28th day of August, One Thousand Nine Hundred and Forty-seven.

B E T W E E N:

EDWARD THOMPSON of the City of Sault Ste. Marie, in the State of Michigan, Trustee, hereinafter called the "Assignor"

OF THE FIRST PART,

-and-

IRA L. WHITEHEAD, of the said City of Sault Ste. Marie, Contractor, hereinafter called the "Assignee"

OF THE SECOND PART,

-and-

ALGOMA CENTRAL & HUDSON BAY RAILWAY COMPANY, hereinafter called the "Party",

OF THE THIRD PART.

WHEREAS by Lease dated the 1st day of August, A.D. 1940 made between the Algoma Central and Hudson Bay Railway Company as Lessor and Soocana Gold Mines Limited as Lessee, the said Lessor did demise unto the said Lessee the following lands:

All and singular those certain parcels or tracts of lands and premises in Township 28, Ranges Twenty-four (24) and Twenty-five (25) in the District of Algoma in the Province of Ontario, and being composed of Two Hundred and Twenty-one and Nine-Tenths (221.9) acres in the Northeasterly part of Township 28, Range 24, and Two Hundred and Fifteen and Four-tenths (215.4) acres in the Southeasterly part of Township 28, Range 25, which are more particularly described in Appendix "A" of the said Lease;

To hold from the 1st day of August, 1940, for the term of ninety-nine (99) years, subject to the Lessee's covenants and agreements contained in the said Lease;

AND WHEREAS the Soocana Gold Mines Limited by its Liquidator, William George Herbert Bennett, under Indenture dated the 2nd day of July, One Thousand, Nine Hundred and Forty-seven, did assign the said Lease to the Assignor herein;

AND WHEREAS the Assignor herein has agreed to sell the said lands to the Assignee for the residue of the term granted by the said lease for the sum of One ($1.00) Dollar;

NOW THIS INDENTURE WITNESSETH that in pursuance of said Agreement and in consideration of the sum of One ($1.00) Dollar, the Assignor hereby grants and assigns the said lands unto the said Assignee herein.

TO HAVE AND TO HOLD the said lands unto the Assignee, his heirs, executors, administrators and assigns, subject to the payment of the said rents and the observance and performance of the Lessee's covenants and conditions in the said Lease contained.

AND the Assignee hereby covenants with the Assignor that the Assignee shall and will, from time to time during the residue of the said term granted by the said Lease and every renewal thereof, pay the rent and perform the Lessee's covenants, conditions and agreements therein respectively reserved and contained, and indemnify and save harmless the Assignor therefrom and from all actions, suits, costs, losses, charges, damages and expenses for or in respect thereof.

AND in consideration of the Party of the Third Part consenting to the aforesaid Assignment of Lease by the Assignor, to the Assignee, and in pursuance of the provision contained in the said Lease, in respect to the Assignment or sub-letting thereof, the Assignee covenants and agrees with the Party of the Third Part to pay the rents and royalties and perform all of the covenants contained in the said lease. In consideration of the covenant by the Assignee as aforesaid, to pay the rents and royalties and perform all of the covenants contained in the said Lease, the Party of the Third Part hereby consents to the said Assignment of Lease by the Assignor to the Assignee. X

AND it is hereby declared and agreed that this indenture shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators and assigns respectively.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals, the day and year first above written.

SIGNED, SEALED and DELIVERED in the presence of "W. G. Herbert Bennett"	"Edward Thompson" (Seal) Edward Thompson "Ira L. Whitehead" (Seal) Ira L. Whitehead ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY By "E. B. Barber" President. (SEAL) "G. S. Saunderson" Secretary.

(4)

COPY

T-140

THIS INDENTURE made in triplicate this First day of March, 1961.

B E T W E E N:

IRA L. WHITEHEAD of the City of Miami, in the State of Florida, one of the United States of America, hereinafter called "the Assignor"

OF THE FIRST PART

- and -

D. E. WEINRAUCH of the City of Miami, in the State of Florida, one of the United States of America, hereinafter called "the Assignee"

OF THE SECOND PART

- and -

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY, hereinafter called "the party"

OF THE THIRD PART

WHEREAS by Lease dated the First day of August, 1940, made between The Algoma Central and Hudson Bay Railway Company as Lessor and Soocana Gold Mines Limited as Lessee, the said Lessor did demise unto the said Lessee the lands known as Mining Claims A.C. 3041 to 3046 inclusive, in the Northeasterly part of Township 28, Range 24, and Mining Claims A.C. 3075 to 3077 inclusive and A.C. 3739 to 3741 inclusive in the Southeasterly part of Township 28, Range 25 as shown outlined in red on the attached plan and which are more particularly described in Appendix "A" of the said Lease.

To have and to hold from the First day of August 1940 for a term of ninety-nine (99) years, at a yearly rental therein stated and subject to the covenants, conditions and agreements therein contained.

AND WHEREAS the Soocana Gold Mines Limited by its Liquidator, William George Herbert Bennett, under indenture dated the 2nd day of July, 1947 did assign the said Lease to Edward Thompson.

AND WHEREAS by Assignment dated the 28th day of August, 1947 the said Edward Thompson did assign the said Lease to Ira L. Whitehead.

NOW THIS INDENTURE WITNESSETH that in consideration of other valuable consideration and the sum of Five Dollars now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged) the Assignor doth hereby grant and assign unto the Assignee ALL THOSE the said lands more particularly described in Appendix "A" of the said Lease, together with the residue unexpired of the term of years in the said lease and the said lease and all benefit and advantage to be derived therefrom.

To Have and To Hold unto the Assignee, subject to the payment of the rent and the observance and performance of the Lessee's covenants and conditions in the said Lease.

The Assignor covenants with the Assignee that notwithstanding any act of the Assignor the said Lease is a good, valid and subsisting lease and the covenants and conditions therein have been duly observed and performed by the Assignor up to the date hereof.

And that, notwithstanding as aforesaid, the Assignor now has in him good right, full power and absolute authority to assign the said lands and lease in manner aforesaid, according to the true intent and meaning of this indenture.

And that the Assignor shall and will from time to time, and at all times hereafter, at the request and cost of the Assignee, execute such further assurances of the said lands as the Assignee shall reasonably require.

And the Assignee covenants with the Assignor that the Assignee shall and will, from time to time during all the residue of the said term granted by the said lease and every renewal thereof, pay the rent and perform the Lessee's covenants, conditions and agreements therein respectively reserved and contained, and indemnify and save harmless the Assignor therefrom and from all actions, suits, costs, losses, charges, damages and expenses for or in respect thereof.

In Consideration of the Party of the Third Part consenting to the assignment of the abovementioned lease by the Assignor to the Assignee and in pursuance of the provisions contained in the said lease in respect to the assigning or subletting thereof, the Assignee covenants and agrees to and with the Party of the Third Part to pay the rents and royalties and perform all the covenants contained in the said lease.

In consideration of the covenants by the Assignee as aforesaid, to pay the rents and royalties and perform all the covenants contained in the said lease, the Party of the Third Part hereby consents to the assignment of the said lease by the Assignor to the Assignee.

And it is hereby declared and agreed that this indenture shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns, respectively.

IN WITNESS WHEREOF The parties hereto have duly executed these presents.

SIGNED, SEALED AND DELIVERED

in the presence of:

"Mrs. P.I. Wilbalis"

Stanley M. Silverman

"Ira L. Whitehead" Seal

Ira L. Whitehead

"D. E. Weihrauch" Seal

D. E. Weihrauch

"D. B Sawer"

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

"L. C. Waugh"

President & General Manager

Co Seal

"D. A. Berlis"

Secretary

THIS AGREEMENT made as of this First day of May 1967.

B E T W E E N:

DOROTHY E. WEIHRAUCH, of the City of New York, in the State of New York, one of The United States of America, hereinafter referred to as "the Assignor"

OF THE FIRST PART

- and -

JOHN W. WHITEHEAD, of the City of Miami, in the State of Florida, one of the United States of America, hereinafter referred to as "the Assignee"

OF THE SECOND PART

WHEREAS the Assignor pursuant to a mining lease made as of the First day of August 1940 with the Algoma Central and Hudson Bay Railway Company (now known as the Algoma Central Railway), is the mining lessee of all those lands known as mining claims AC 3041 to 3046 inclusive, in the northeasterly part of Township 28, Range 24 and mining claims AC 3075 to 3077 inclusive and AC 3739 to 3741 inclusive in the Southeasterly part of Township 28, Range 25, as shown outlined in red on plan attached.

AND WHEREAS the aforementioned mining lease is in full force and effect.

AND WHEREAS the Assignor is desirous of assigning one-half of her interest in the aforementioned mining lease to the "Assignee".

NOW THEREFORE in consideration of the premises and the mutual covenants herein contained and the sum of One Dollar ($1.00) and other good and valuable consideration now paid by the Assignee to the Assignor (receipt of which is hereby acknowledged by the Assignor), the Assignor hereby grants and assigns unto the Assignee one-half of her right, title and interest in and to the aforementioned mining lease.

IN WITNESS WHEREOF the parties hereto have executed these presents.

SIGNED, SEALED and DELIVERED in the presence of

DOROTHY E. WEIHRAUCH

JOHN W. WHITEHEAD

WITNESS to signature of John W. Whitehead

NOTARY PUBLIC, STATE OF FLORIDA at LARGE
MY COMMISSION EXPIRES APR. 24, 1970
BONDED THROUGH FRED W. DIESTELHORST

Algoma Central Railway (formerly known as the Algoma Central and Hudson Bay Railway Company), hereby consents to the assignment of one half interest by Dorothy E. Weihrauch to John W. Whitehead in accordance with covenant (3) of the mining lease dated August 1 1940 between Dorothy E. Weihrauch and the Algoma Central Railway on the express understanding that Dorothy E. Weihrauch and John W. Whitehead agree to be and are hereby jointly and severally liable to the Algoma Central Railway for compliance with all of the terms, conditions and covenants of Dorothy E. Weihrauch as contained in the aforementioned mining lease.

Dorothy E. Weihrauch and John W. Whitehead in consideration of the foregoing consent hereby agree to be jointly and severally liable to the Algoma Central Railway for compliance with all of the terms, conditions and covenants of Dorothy E. Weihrauch as contained in the aforementioned mining lease.

Dated this 29th day of May 1967.

SIGNED, SEALED and DELIVERED in the presence of:

ALGOMA CENTRAL RAILWAY, formerly known as the Algoma Central & Hudson Bay Railway Company

President & General Manager

Assistant Secretary

John W. Whitehead

Witness

Dorothy E. Weihrauch

ASSIGNMENT OF LEASE

THIS ASSIGNMENT made as of the 4th day of June, 1997

A M O N G:

ELIZABETH LIESELOTTE GREYER HOPKINS,
LAWRENCE MILTON HESS, and R. BRIAN CORNWELL
Executors of the Estate of ALBERT PARKER EUGENE HOPKINS
(also known as Albert E. Hopkins), Deceased

(hereinafter called the "Assignor")

OF THE FIRST PART;

- and -

ALBERT HOPKINS ENTERPRISES LIMITED, a corporation
incorporated under the laws of the Province of Ontario

(hereinafter called the "Assignee")

OF THE SECOND PART;

- and -

ALGOMA CENTRAL CORPORATION, a corporation created
under a Special Act of Parliament of the Government of Canada
previously known as the Algoma Central and
Hudson Bay Railway Company

(hereinafter called the "Lessor")

OF THE THIRD PART.

WHEREAS by a lease dated the 1st day of August, 1940 (herein called the "Lease"), which Lease was subsequently assigned to Albert E. Hopkins, the Lessor named therein leased to Soocana Gold Mines Limited, its successors and assigns certain mining claims and mineral

rights (herein called the "Claims") more particularly described in Schedule A attached hereto, for a term of ninety-nine (99) years from the 1st day of August, 1940, subject to the terms and conditions all as set forth therein;

AND WHEREAS Albert E. Hopkins died on the 11th day of November, 1988 and Letters Probate were issued to the Assignor under Court File No. 7309/88 in the Surrogate Court of the Judicial District of York;

AND WHEREAS the Assignee has requested the Assignor to sell the residue of the said term of years and to assign to it the Lease.

NOW THEREFORE this Agreement witnesseth that in consideration of the covenants contained herein and the sum of Two Dollars ($2.00) and other good and valuable consideration paid by the Assignee to the Assignor, the receipt and sufficiency whereof are hereby by it acknowledged, the parties hereto agree as follows:

1. The Assignor as beneficial owner hereby assigns to the Assignee the Assignor's interest in the Claims together with the unexpired residue of the terms of the Lease and the Lease and all benefits to be derived therefrom, subject to the payment of the rent and the observance and performance of the covenants, provisos and conditions on the part of the Lessee contained therein.

2. The Assignee covenants with the Lessor to assume all the clean-up obligations outstanding against the Assignor under the *Mining Act* of the Province of Ontario. In this regard, the Assignee represents and warrants that it has the capacity financially to carry out the clean-up obligations which are still outstanding against the Assignor as aforesaid.

3. The Assignor covenants with the Assignee that the Lease is a valid and subsisting Lease, that the covenants, provisos and conditions thereof on the part of the Lessee have been duly observed and performed up to the date hereof, save and except for the clean-up obligations as set forth in the immediately preceding paragraph, that the Assignor is entitled to assign the Lease, that subject to the payment of the rent and observance and performance of the covenants, provisos and conditions of the Lease the Assignee may enjoy the claims for the residue of the term of the Lease without interruption by the Assignor or any persons claiming through them, and that the Assignor shall at all times hereafter at the request and cost of the Assignee execute such further assurances in respect of this Assignment as the Assignee may reasonably require.

4. The Lessor hereby consents to this Assignment by the Assignor to the Assignee as above written, and except for this Assignment the covenant in the Lease against assignment and subletting shall remain in full force and effect.

IN WITNESS WHEREOF we have caused these presence to be signed as of the date first mentioned above.

SIGNED, SEALED AND DELIVERED in the presence of:

Witness as to the signature of Elizabeth Lieselotte Greyer Hopkins

Witness as to the signature of Lawrence Milton Hess

Witness as to the signature of R. Brian Cornwell

ALBERT PARKER EUGENE HOPKINS (also known as Albert E. Hopkins), Deceased

Elizabeth Lieselotte Greyer Hopkins
Executrix

Lawrence Milton Hess
Executor

R. Brian Cornwell
Executor

ALBERT HOPKINS ENTERPRISES LIMITED

Per: Elizabeth Hopkins
Authorized Signing Officer

ALGOMA CENTRAL CORPORATION

Per:
Authorized Signing Officer

Per:
Authorized Signing Officer
Mgr. Planning & Development
Algoma Central Properties Inc.

SCHEDULE A

1. Part of Parcel 13 Algoma Central railway being a 99 Year mining Lease for Mining Claims AC3041 to 3046 inclusive in Esquega twp. 28, R.24.

2. Part of Parcel 15 Algoma Central Railway being a 99 Year mining Lease for Mining Claims AC3075, AC3076, AC3077, AC3739, AC3740 and AC3741 in Corbiere Tp. 28, R.25.

ALGOMA CENTRAL PROPERTIES INC.
MANAGING PROPERTIES ON BEHALF OF ALGOMA CENTRAL CORPORATION

239

TEL (705) 949 7233
FAX (705) 949-7382

STEVE KENT, M.P.P.
MANAGER PLANNING & DEVELOPMENT

P.O. BOX 7000
289 BAY STREET
SAULT STE. MARIE
ONTARIO
P6A 5P8

December 16, 1996

File: 530.52

REGISTERED

Estate of Albert Hopkins
c/o Mrs. Elizabeth Hopkins
810 Duplex Avenue
TORONTO, Ontario
M4R 1W7

Re: Mining Lease Agreement between The Algoma Central and Hudson Bay Railway Company (now Algoma Central Corporation) ("ACC") and Soocana Gold Mines Limited (now, by assignments, the Estate of Albert Hopkins) ("Hopkins") dated the 1st day of August, 1940

Dear Mrs. Hopkins:

Please be advised that portions of the lands covered by the captioned agreement were recently investigated by ACC staff for any safety or environmental concerns that may have resulted from mining activity carried out under the terms of the said agreement.

We hereby advise that one mine shaft (approximately 10' x 10' at the opening and dropping at a very steep angle to water/ice approximately 12' below grade) was located together with a metal compressor system (approximately 3' x 5' x 10' long on steel skids) on the lands covered by the captioned agreement.

As provided in the captioned agreement, it is the Lessee's (Hopkins) responsibility to comply with all statutory provisions related to the working of mines, and in this instance we refer

specifically to Subsections 1 and 6 of Section 23 (2) of Ontario Regulation 114/91 concerning the rehabilitation of mining land.

Within 45 days of the date of this letter, we request that you contact the undersigned for further discussion and confirmation with respect to the scheduling of activities necessary to comply with the aforementioned legislation.

Sincerely,

SK:mb

j:\otsuise\wordpro\docs\dl\letters\hopkins.lwp

(2)

Explorers Alliance Corporation

Suite 1800, 95 Wellington Street West, Toronto, Ontario M5J 2N7
Tel. (416) 360-5333
Fax. (416) 360-4419

File 530.52

CONFIDENTIAL
FAX TRANSMISSION

TO:	**W.S. Vaughan**
COMPANY:	**C/O Aird & Berlis**
FAX#:	**364-4916**
FROM:	**R.N. Granger**
DATE:	**February 24, 1997**
# of pages(this included):	**4**
MESSAGE:	Re: Soocana Claims - ACR

Steve:

John and I have had a look at a property on ACR Lands called the Soocana. I enclose a one-page document which describes the claims in detail under the heading property.

I also enclose a copy of a letter from Algoma Central Properties Inc. to the Estate of Albert Hopkins dated December 16, 1996.

From your sources, can you tell us if these leased claims are in good standing and what, if any, problems exist around the letter dated December 16th.

Best regards,

March 17/97 - left mess. w WSV
- estimate $20,000 to clean-up (similar to Kozak + difficult access)
- Eric Eisler has been dealing w NORENT RESOURCES

R.N. Granger

Attach.

SOOCANA

Claims Detail Sheet

LOCATION

The claims are located in Esquega and Corbiere Townships approximately 20 kilometers northeast of Wawa at Hawk Junction (NTS 42C/2).

The property has good access, being adjacent to the village of Hawk Junction which is 76 kilometers from Wawa along Highways 101 and 547. Rail lines of Algoma Central Railway cross the property.

PROPERTY

Soocana consists of twelve leased claims numbered AC3041 to AC3046 incl., AC3075 to AC3077 incl. and AC3739 to AC3741 incl. and three unpatented staked claims numbered AC11335, AC11336 and AC11338.

The property is subject to a 2% net profits royalty to Algoma Central Railway who granted the original leases.

GEOLOGY & MINERALIZATON

The property overlies an area of mafic volcanic which have been intruded by quartz porphyry. Quartz veins containing sulphide mineralization and gold have been traced for 300 meters in a north-northwesterly direction within the quartz porphyry. Surface trenches along the zone have returned values of 7.75 to 47.7 grams per tonne over widths up to 6 meters while average values in a shaft sunk on the vein were 7.75 grams per tonne over 2.13 meters.

An east-west trending zone of massive pyrite in quartz-carbonate-green mica schist has been traced to within 300 meters of the west boundary of the claims in an area which is covered by extensive sand deposits.

These pyritic schists have been found locally to carry gold values.

HISTORY

Gold in pyrite was discovered in the Hawk Junction area as early as 1908 while the Algoma Centra Railway was being built. Subsequent prospecting in the area led to the discovery of gold, on what is now the Soocana property by Reed and Booth in 1934. The Soocana Mining Company Ltd. completed trenching, diamond drilling and shaft sinking in the period 1938 to 1939.

CONCLUSION

The property carries a series of well-mineralized quartz veins which have not been explored in recent times. A serious exploration program would have a good chance of developing a viable but small gold deposit.

A.E. Hopkins Enterprises Ltd.
810 Duplex Ave., Toronto, ON, Canada M4R 1W7
tel: (416) 489-8375/(416) 491-6874 fax: (416) 490-6856

SHELDON HUXTABLE
PROFESSIONAL CORPORATION

BARRISTERS & SOLICITORS
Suite 1801, 180 Dundas Street West
Toronto, Ontario, Canada M5G 1Z8
Tel: (416) 595-5151 Fax: (416) 595-5959
Corporate Fax: (416) 595-5195
E-mail: info@sheldonhuxtable.com

Reply to:
Donald A. Sheldon
Ext. 101
Direct: (416) 595-0147
dsheldon@sheldonhuxtable.com

Assistant:
Wynne K. Reid
Ext. 113
Direct: (647) 258-8941
wreid@sheldonhuxtable.com

Ref: F:\Clients\H\Hopkins, Elizabeth\993767 - Sale of Mining Claims\Skutezky Ltr - 09Apr08.doc

April 9, 2008

Delivered

Michael R. Skutezky
Professional Corporation
Suite 720
40 University Avenue
Toronto, Ontario
M5J 1T1

Dear Sir:

Re: Albert Hopkins Enterprises Ltd. sale to Sage Gold Inc. of Mineral Rights Located in the Townships of Onaman Lake and Gzowski, and a Mining Lease Located in the Township of ~~Dorothea~~, all in the District of Thunder Bay (vacant lands)
ESQUISKA & CORBIERE

We have been able to obtain copies of various materials from Cedar Falls Forest Resources and, accordingly, enclose copies of the following:

1. Mining Lease – August 1, 1943 (99 year lease)
2. First Assignment – July 2, 1947
3. Second Assignment – August 28, 1947
4. Third Assignment – March 1, 1961
5. Fourth Assignment – May 1, 1967 (one-half interest only)
6. Fifth Assignment - December 30, 1987
7. Sixth Assignment – June 4, 1997

We also enclose a copy of the following materials:

1. Letter dated December 16, 1996 from Algoma Central Properties Inc. to the Estate of Albert Hopkins
2. Fax dated February 24, 1997 from R.N. Granger of Explorer's Alliance Corporation to W.S. Vaughan
3. Letter dated March 30, 2008 from Cedar Falls Resources to Sheldon Huxtable Professional Corporation

SHELDON HUXTABLE
PROFESSIONAL CORPORATION

Accordingly, we enclose herewith a draft Seventh Assignment of Lease for your review and consideration.

Yours very truly,

SHELDON HUXTABLE
PROFESSIONAL CORPORATION

D. A. Sheldon

DAS:wkr
Enc.

COPY

AGREEMENT

BETWEEN

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

— and —

SOOCANA GOLD MINES LIMITED

No. N-797 Number of sheets attached

Re LEASE OF MINING LANDS

INDEXED ON PLAN & NOTE BELOW

We acknowledge having received ..... complete copies With epitomes of above agreement.

Signature	Designation	Date

NOTE:—Distribution is only made to heads of Depts. interested. Every officer whose signature appears above will be held solely responsible for the due fulfillment of that portion of the agreement affecting his Department.

Copy agreements to be filed separately from these forms, the latter in respect of all subjects being batched together so as to make a series of permanent diaries.

65574

Note:—By keeping this to the front during the currency of this agreement nothing can be overlooked, as under the month and date appear those items to which periodical attention must be paid; read this in conjunction with epitome.

DIARY

In respect of agreement No. N-797 Re LEASE OF MINING LANDS

	Jan.		July
	Feb.	1940	Aug. 1 - Date of Lease
		"	" Date of Commencement of 99 year term of lease.
			" Date of payment of rental of 25¢ per acre in each year.
	Mar. 1 - Date of payment of annual royalty.		Sept.
	" - Date prior to which Annual Statements, plans, etc. to be filed in each year.		
	April		Oct.
	May		Nov.
	June		Dec.

EPITOME NO. N-797 - LEASE OF MINING LANDS

DATED: - 1ST AUGUST, 1940.

PARTIES: THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

- and -

SOOGANA GOLD MINES LIMITED

CONSIDERATION: ONE DOLLAR ($1.00) on execution of lease and annual rental of 25¢ per acre, plus royalties.

PREMISES:- ALL AND SINGULAR those certain parcels or tracts of land and premises situate, lying and being in Township 28 in Ranges 24 and 25, in the District of Algoma in the Province of Ontario, being composed of: 221.90 acres in the Northeasterly part of Township 28, Range 24 and 215.4 acres in the Southeasterly part of Township 28, Range 25, all of which may be more particularly described as follows:-

FIRSTLY:- COMMENCING at the Number Four (04) mile post on the South limit of Township 28, Range 25, thence East astronomically along the said South limit thirty-five (35) chains forty-seven (47) links to the place of beginning. Thence East astronomically forty (40) chains twenty-five (25) links; Thence North astronomically fifty-four (54) chains fifty-nine (59) links; Thence North eighty-seven (87) degrees twenty (20) minutes West thirty-six (36) chains sixteen (16) links; Thence South One (01) degree seven (07) minutes East twenty (20) chains ten (10) links; Thence North eighty-eight (88) degrees fifty-three (53) minutes West five (05) chains twelve (12) links; Thence South No (0) degrees twenty-five (25) minutes East seventeen (17) chains ninety-two (92) links; Thence South one (01) degree twenty-five (25) minutes East eighteen (18) chains twenty (20) links more or less to the place of beginning SAVING and EXCEPTING the Right-of-Way of The Algoma Central and Hudson Bay Railway, and containing by admeasurement two hundred and fifteen and four-tenths (215.4) acres more or less, as shown outlined in red and marked "A" on the attached plan.

SECONDLY:- COMMENCING at the Number Four (04) mile post on the Northerly limit of Township 28, Range 24, thence East astronomically along said North limit Thirty-five (35) chains forty-seven (47) links to the place of beginning; Thence South thirteen (13)

(2)

degrees East seventeen (17) chains fourteen (14) links; Thence South seventy-nine (79) degrees West twenty-one (21) chains forty-five (45) links; Thence South five (05) degrees ten (10) minutes East twenty (20) chains eighty (80) links; Thence South seventy-nine (79) degrees twenty-four (24) minutes West sixteen (16) chains forty-eight (48) links; Thence South eight (08) degrees fifty-two (52) minutes West fourteen (14) chains fifty-three (53) links; Thence East astronomically thirty-eight (38) chains twenty (20) links; Thence North eighty-four (84) degrees fifteen (15) minutes East twenty (20) chains ten (10) links more or less to a point on the Westerly limit of Parcel 757 Algoma West Section; Thence North astronomically along said Westerly limit of Parcel 757 Algoma West Section fifty-six (56) chains eighty-three (83) links to a point on the Northerly limit of Township 28, Range 24; Thence West astronomically along the said Northerly limit twenty-four (24) chains, forty-two (42) links more or less to the place of beginning, SAVING and EXCEPTING the Right-of-Way of The Algoma Central and Hudson Bay Railway, and containing by admeasurement two hundred and twenty-one and nine-tenths (221.9) acres more or less, as shown outlined in red and marked "B" on the plan.

EXPIRATION: Ninety-nine (99) years from 1st August, 1940.

TERMS: Usual terms governing mining leases.

COULD NOT FIT ALL ON ONE PAGE, THEREFORE 2 COPIES OF EACH PAGE TO COPY ENTIRE PAGE

This Indenture made in Duplicate this 1st day of August, A.D. 19 40

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT.

BETWEEN:

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY (hereinafter called "the Lessor"), OF THE FIRST PART,

AND

SOCOMA GOLD MINES LIMITED

(hereinafter called "the Lessee"), OF THE SECOND PART

WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor hereby grants, demises and leases unto the Lessee, his executors, administrators, successors and assigns all and every the mines, veins, seams, beds or deposits of minerals, ores or metals in or on or under ALL and SINGULAR th ose certain parcels or tracts of land and premises situate, lying and being in Township 28 in Ranges 24 & 25 in the District of Algoma in the Province of Ontario, being composed of:

221.90 acres in the Northeasterly part of Township 28, Range 24 and 215.4 acres in the Southeasterly part of Township 28, Range 25, all of which may be more particularly described as follows:-

(See description Appendix "A" attached hereto.)

TO HAVE AND TO HOLD the said demised premises for and during the term of ninety-nine (99) years to be computed from the first day of August, 19 40, and from thenceforth next ensuing and fully to be completed and ended.

WITH full and exclusive liberty, power and authority for the Lessee, his agents, servants and workmen to search for, dig, work, mine, procure, carry away and sell or otherwise dispose of, any and all minerals which may be found within the limits of the land hereinbefore described, and to erect, make and maintain thereon all such buildings, excavations, openings, ditches, drains, power lines, tram-ways, smelters or other improvements that shall or may be deemed necessary or convenient for the purposes aforesaid, and to use such timber on the said lands as shall or may be deemed necessary for any purposes aforesaid.

SUBJECT nevertheless to the reservations and exceptions contained in the original patent from the Crown.

PROVIDED that the foregoing liberties, powers and authorities shall not include any of the following:

(1) The right to use the surface of the lands above described for a distance of one chain from the shores of all rivers, streams, lakes and ponds at high water.

(2) The right to any water powers on the lands above described, together with such additional area of the surface of the said lands as in the opinion of the Lessor may be necessary for the development and utilization of such water power.

(3) The right to use timber or other woods on the said lands where the Lessor cannot legally permit such use, or where such right is under contract to other persons or corporations.

Note—Pine standing on the said lands is reserved to the Crown, and permission to cut same must be obtained from the Crown and Crown dues paid.

(4) The right to lay out or permit the laying out of any town site on the said lands, until and unless the Lessee shall have acquired from the Lessor the surface rights therefor; and the Lessor hereby covenants that it will convey the surface rights to such portion of the said lands as may be required for such town site upon the request in writing of the Lessee, accompanied by a plan of such town site satisfactory to the Lessor and upon payment to the Lessor of the sum of $3.00 per acre therefor, if the Lessor is the owner of the said surface rights at the time of such request and production of such plan.

(5) The right to interfere with or damage in any way any improvements made on the said lands by any legal occupant thereof, except to the extent that such right is reserved to the Lessor in any agreement respecting, or transfer, conveyance or lease of such surface rights.

AND provided that notwithstanding the foregoing liberties, powers and authorities the Lessor may at any time cross the said lands or any part thereof with its railroad or any branch or siding, and for such purpose may lay out a right of way not exceeding one hundred feet (100') in width for any such railroad, branch or siding, but in such event the Lessor shall cause as little interference as possible with any building, work, operation or other improvement erected, carried on or made by the Lessee on the said lands pursuant to the said liberties, powers and authorities.

YIELDING and paying therefor as rent the sum of One Dollar ($1.00) per acre on the execution of this lease and the further sum of Twenty-five Cents (25c) per acre on the First day of August in each year hereafter during the currency of this lease and yielding and paying as rent in addition thereto the royalties as follows:

(1) For every mine located on the said lands, excepting iron pyrites mines, an annual royalty on the 1st day of March in each and every year, in respect of the year ending on the 31st day of December immediately preceding, as follows:

lying and being in Ranges 24 & 25 in the District of Algoma in the Province of Ontario, being composed of:

221.90 acres in the Northeasterly part of Township 28, Range 24 and 215.4 acres in the Southeasterly part of Township 28, Range 25, all of which may be more particularly described as follows:-

(See description Appendix "A" attached hereto.)

TO HAVE AND TO HOLD the said demised premises for and during the term of ninety-nine (99) years to be computed from the first day of August, 19 40, and from thenceforth next ensuing and fully to be completed and ended.

WITH full and exclusive liberty, power and authority for the Lessee, his agents, servants and workmen to search for, dig, work, mine, procure, carry away and sell or otherwise dispose of, any and all minerals which may be found within the limits of the land hereinbefore described, and to erect, make and maintain thereon all such buildings, excavations, openings, ditches, drains, power lines, tram-ways, smelters or other improvements that shall or may be deemed necessary or convenient for the purposes aforesaid, and to use such timber on the said lands as shall or may be deemed necessary for any purposes aforesaid.

SUBJECT nevertheless to the reservations and exceptions contained in the original patent from the Crown.

PROVIDED that the foregoing liberties, powers and authorities shall not include any of the following:

(1) The right to use the surface of the lands above described for a distance of one chain from the shores of all rivers, streams, lakes and ponds at high water.

(2) The right to any water powers on the lands above described, together with such additional area of the surface of the said lands as in the opinion of the Lessor may be necessary for the development and utilization of such water power.

(3) The right to use timber or other woods on the said lands where the Lessor cannot legally permit such use, or where such right is under contract to other persons or corporations.

Note—Pine standing on the said lands is reserved to the Crown, and permission to cut same must be obtained from the Crown and Crown dues paid.

(4) The right to lay out or permit the laying out of any town site on the said lands, until and unless the Lessee shall have acquired from the Lessor the surface rights therefor; and the Lessor hereby covenants that it will convey the surface rights to such portion of the said lands as may be required for such town site upon the request in writing of the Lessee, accompanied by a plan of such town site satisfactory to the Lessor and upon payment to the Lessor of the sum of $3.00 per acre therefor, if the Lessor is the owner of the said surface rights at the time of such request and production of such plan.

(5) The right to interfere with or damage in any way any improvements made on the said lands by any legal occupant thereof, except to the extent that such right is reserved to the Lessor in any agreement respecting, or transfer, conveyance or lease of such surface rights.

AND provided that notwithstanding the foregoing liberties, powers and authorities the Lessor may at any time cross the said lands or any part thereof with its railroad or any branch or siding, and for such purpose may lay out a right of way not exceeding one hundred feet (100') in width for any such railroad, branch or siding, but in such event the Lessor shall cause as little interference as possible with any building, work, operation or other improvement erected, carried on or made by the Lessee on the said lands pursuant to the said liberties, powers and authorities.

YIELDING and paying therefor as rent the sum of One Dollar ($1.00) per acre on the execution of this lease and the further sum of Twenty-five Cents (25c) per acre on the First day of August in each year hereafter during the currency of this lease and yielding and paying as rent in addition thereto the royalties as follows:

(1) For every mine located on the said lands, excepting iron pyrites mines, an annual royalty on the 1st day of March in each and every year, in respect of the year ending on the 31st day of December immediately preceding, as follows:

(a) One per cent. (1%) on all annual profits of the said mine in excess of Ten Thousand Dollars ($10,000.00), and up to One Million Dollars ($1,000,000.00), and

(b) One and one-half per cent. (1½%) of the said annual profits in excess of One Million Dollars ($1,000,000.00) and up to Three Million Dollars ($3,000,000.00), and

(c) Two per cent. (2%) of the said annual profits in excess of Three Million Dollars ($3,000,000.00).

(2) For every iron and/or pyrites mine located on the said lands a monthly royalty of Ten Cents (10c) per long ton of raw ore mined, to be due and payable within sixty (60) days following the month in which such ore is mined.

Royalties shall be determined in accordance with the rules set forth in Schedule I hereto.

THE said Lessee covenants with the said Lessor:

(1) To pay rent.

(2) To pay as rent all taxes, rates, dues and assessments whatsoever, whether municipal, parliamentary or otherwise, now charged or hereafter to be charged upon the said demised premises, or upon or against the Lessor on account thereof, or upon or against any person, partnership or corporation carrying on any operations thereon.

(3) And will not assign, or sub-let without leave, or part with the possession of the demised premises or any part thereof without leave, such leave, however, not to be unreasonably withheld in the case of a responsible firm or company, upon such responsible firm or company entering into an agreement with the Lessor to pay the rents and royalties and perform and observe the covenants, conditions and terms in this lease.

(4) To carry out the provisions of Schedule II, respecting the giving of certain notices, the furnishing of Annual Statements and plans, the keeping of books of account, and other matters therein contained.

(5) To conform to and carry out the provisions of the rules respecting the operation of mines set out in Schedule III hereto.

(6) That he will pay all accounts for labour done by him or on his behalf on the said demised premises and for all buildings, plant equipment and other supplies supplied to him or with his authority for use in connection with the said demised premises and that he will not permit any lien to be or remain registered against the said lands or the demised premises in respect of any work done by, or for any material supplied to or for the Lessee upon or in respect of the said lands or the demised premises or any operation carried on thereon. In the event of the Lessor being obliged to pay any such lien or any costs in connection therewith to prevent the demised premises from being sold, the Lessor may treat any amount so paid as rent due hereunder and shall be entitled to all the remedies herein or by law provided for the collection of rent hereunder, but this clause shall not be construed as meaning or implying that such lien may be registered against the interest of the Lessor in the said lands.

(7) And that he will leave the premises in good repair, reasonable wear and tear and damage by fire, lightning and tempest only excepted.

AND WHEREAS the primary object of the granting of this lease is to increase the traffic of the Lessor, and as a part of the consideration for the granting of this lease, the Lessee covenants and agrees with the Lessor to ship over the railway and/or other transportation facilities of the Lessor, all inbound and outbound freight and express required for the development and/or operation of the premises hereby leased, including all ores, concentrates, minerals, etc., and insofar as the Lessee is able, to transport all employees engaged in the development and/or operation of the premises hereby leased, over the Lessors railway.

AND the Lessee further covenants and agree with the Lessor that, provided rates and conditions are equal, the Lessor shall be given the first refusal for the transporting by the Lessor's steamship line of all water borne traffic for movement on the Great Lakes originating at and/or destined to the premises hereby leased.

AND the Lessor agrees to maintain reasonable and equitable freight, express and passenger rates on its railway and/or other transportation facilities.

PROVIDED the Lessee is not in default hereunder and upon payment of rent to the date of termination, the Lessee may at any time terminate this lease upon giving to the Lessor six (6) months' notice in writing of his intention so to do.

PROVIDED that the Lessee may remove his fixtures (but not including buildings), and may exercise such right within ninety (90) days after the expiration or other sooner determination of this lease (provided, however, he is not in default hereunder) but he shall not remove or impair any supports placed in the mine or any timber or framework necessary to the use and maintenance in shafts or other approaches to the mine or any tramways within the said mine.

PROVIDED, and it is hereby expressly agreed, that if and whenever the rent, royalties, taxes, rates, dues or assessments hereby reserved and covenanted to be paid by the Lessee, or any part thereof shall be and remain unpaid (whether formally demanded or not) for three months after the date and time when the same first became due and payable, or if the term hereby granted or any of the goods or chattels of the Lessee shall be seized or taken in execution or attachment by a creditor of the Lessee, or if the Lessee shall go into liquidation whether voluntary (save for the purpose of amalgamation or reorganization) or compulsory, or shall become bankrupt or insolvent, or make an assignment for the benefit of or enter into an arrangement or composition with creditors, or if any covenant on the Lessee's part herein contained shall not be performed or observed, then and in any of the said cases the current month's rent, together with the rent for the three months next accruing, and taxes for the then current year (to be reckoned on the rate for the next preceding year in case the rate shall not have been fixed for the then current year), shall immediately become due and payable, and the said term shall, at the option of the Lessor forthwith become forfeited and determined and it shall be lawful for the Lessor at any time thereafter, into and upon the said demised premises or any part thereof, in the name of the whole to re-enter, and the same to have again, repossess and enjoy, as of its former estate, anything hereinafter contained to the contrary notwithstanding, and in every such case, taxes shall be recoverable by the Lessor in the same manner as the rent hereby reserved.

PROVIDED, and it is hereby expressly agreed, that in the event of non-payment by the Lessee of any taxes, rates, dues and assessments, the Lessor may, at its option, pay the said taxes, rates, dues and assessments, in which case the amount so paid shall be payable by the Lessee to the Lessor and in the event of any such taxes, rates, dues and assessments remaining unpaid at the expiration or sooner determination of this lease, the amount of the same shall be payable by the Lessee to the Lessor whether or not the Lessor shall have paid the same, and in every such case shall be deemed to be rent accrued due and owing to the Lessor, and the Lessor shall have the right to collect the same in the same manner as rent hereby reserved.

IT is hereby expressly agreed that if the said several rents, royalties or sums of money hereby reserved or any of them, or any part thereof respectively shall be in arrear for three months and the same shall not be paid when demanded by a notice in writing signed by the Lessor or its Agent and served by the Lessor on the Lessee, then, and in such case it shall be lawful for the Lessor not only to stop the working and vending of the demised minerals and the working of any other minerals worked and carried away or made workable by virtue of the powers herein contained or any of them but also to enter upon any other Railway Lands in the occupation of the Lessee, or of any other corporation or person where by the terms and conditions of this lease the profits or losses from mines on such lands are to be taken into consideration in determining the rents and royalties payable under this lease and to seize and distrain all minerals which have been worked or brought to the surface of such lands and to seize and distrain all goods, chattels, plant, machinery, equipment and fixtures of the Lessee or any such person or corporation and such distress and distresses then and there found to take, keep, lead and carry away and sell and dispose of in order to pay and satisfy the said rents, royalties and sums of money which shall be so in arrear and also the reasonable costs and expenses of such distress and distresses and sale or sales rendering the overplus (if any) to the Lessee.

PROVIDED, and it is hereby expressly agreed, that the rent reserved hereunder shall be apportionable and shall accrue due from day to day, and notwithstanding anything herein contained rent for the period of occupation and all accelerated rent shall be payable on the day of expiration or sooner determination of this lease, unless sooner payable hereunder.

AND the Lessee waives and renounces the benefit of any present or future Act of the Legislature of the Province of Ontario taking away or limiting the landlord's right of distress and agrees with the Lessor that, notwithstanding any such Act, the Lessor may seize upon and sell all the Lessee's goods and chattels for payment of rent, royalties, sums of money payable to the Lessor hereunder, and costs as might have been done if such Act had not been passed.

THE Lessee further agrees that if he leaves the leased premises leaving any rent, royalties, or sums of money owing to the Lessor under this lease unpaid, the Lessor, in addition to any remedy otherwise provided by law, may seize and sell the goods and chattels of the Lessee, at any place to which the Lessee or any other person may have removed them, in the same manner as if such goods and chattels had remained and been distrained upon the demised premises.

TIME shall be strictly of the essence of this lease, and the extension of the time for any payment or performance of any covenant herein shall not be deemed a waiver of the term that time shall be strictly of the essence of this lease in respect of all other payments or covenants.

THE Lessor covenants with the Lessee for quiet enjoyment.

ANY notice required to be served hereunder by the Lessor on the Lessee shall be deemed personally served when placed in an envelope, sealed, registered and deposited in any Post Office of the United States or Canada, addressed to the manager or other person notified to the Lessor as "the name and address for service" as provided in Schedule II hereto, and until such notice has been given by the Lessee to the Lessor, addressed as follows:

Soocana Gold Mines Limited, c/o Messrs. Hamilton & Carmichael,
514 Queen St. E., Sault Ste. Marie, Ontario.

IT is agreed between the Lessor and the Lessee that the covenants, terms and conditions of this lease shall run with the land and shall both bind and benefit the heirs, executors, administrators, successors and assigns of the Lessor and Lessee respectively.

IN the event of there being more than one Lessee, each Lessee shall be bound to perform and observe each and every covenant, term and condition herein contained, and all covenants shall be deemed to be made jointly and severally by such Lessees.

"Railway Lands" shall mean lands, mines or mineral rights, wherever situate, of which the freehold, either in possession or reversion, and either at law or in equity, is in the Lessor.

"Mine" shall include any opening or excavation in, or working of the ground for the purpose of winning, opening up or proving any mineral or mineral-bearing substance, and any ore body, metal, mineral deposit, stratum, vein or seam, or cement, or place where mining is or may be carried on, and all ways, works, machinery, plant, buildings, and premises below or above ground belonging to or used in connection with the mine.

"Mine Assessor" shall mean the person so designated from time to time by the Lessor.

and the same to have again, repossess and enjoy, as of its former estate, anything herein contained to the contrary notwithstanding, and in every such case, taxes shall be recoverable by the Lessor in the same manner as the rent hereby reserved.

PROVIDED, and it is hereby expressly agreed, that in the event of non-payment by the Lessee of any taxes, rates, dues and assessments, the Lessor may, at its option, pay the said taxes, rates, dues and assessments, in which case the amount so paid shall be payable by the Lessee to the Lessor and in the event of any such taxes, rates, dues and assessments remaining unpaid at the expiration or sooner determination of this lease, the amount of the same shall be payable by the Lessee to the Lessor whether or not the Lessor shall have paid the same, and in every such case shall be deemed to be rent accrued due and owing to the Lessor, and the Lessor shall have the right to collect the same in the same manner as rent hereby reserved.

IT is hereby expressly agreed that if the said several rents, royalties or sums of money hereby reserved or any of them, or any part thereof respectively shall be in arrear for three months and the same shall not be paid when demanded by a notice in writing signed by the Lessor or its Agent and served by the Lessor on the Lessee, then, and in such case it shall be lawful for the Lessor not only to stop the working and vending of the demised minerals and the working of any other minerals worked and carried away or made workable by virtue of the powers herein contained or any of them but also to enter upon any other Railway Lands in the occupation of the Lessee, or of any other corporation or person where by the terms and conditions of this lease the profits or losses from mines on such lands are to be taken into consideration in determining the rents and royalties payable under this lease and to seize and distrain all minerals which have been worked or brought to the surface of such lands and to seize and distrain all goods, chattels, plant, machinery, equipment and fixtures of the Lessee or any such person or corporation and such distress and distresses then and there found to take, keep, lead and carry away and sell and dispose of in order to pay and satisfy the said rents, royalties and sums of money which shall be so in arrear and also the reasonable costs and expenses of such distress and distresses and sale or sales rendering the overplus (if any) to the Lessee.

PROVIDED, and it is hereby expressly agreed, that the rent reserved hereunder shall be apportionable and shall accrue due from day to day, and notwithstanding anything herein contained rent for the period of occupation and all accelerated rent shall be payable on the day of expiration or sooner determination of this lease, unless sooner payable hereunder.

AND the Lessee waives and renounces the benefit of any present or future Act of the Legislature of the Province of Ontario taking away or limiting the landlord's right of distress and agrees with the Lessor that, notwithstanding any such Act, the Lessor may seize upon and sell all the Lessee's goods and chattels for payment of rent, royalties, sums of money payable to the Lessor hereunder, and costs as might have been done if such Act had not been passed.

THE Lessee further agrees that if he leaves the leased premises leaving any rent, royalties, or sums of money owing to the Lessor under this lease unpaid, the Lessor, in addition to any remedy otherwise provided by law, may seize and sell the goods and chattels of the Lessee, at any place to which the Lessee or any other person may have removed them, in the same manner as if such goods and chattels had remained and been distrained upon the demised premises.

TIME shall be strictly of the essence of this lease, and the extension of the time for any payment or performance of any covenant herein shall not be deemed a waiver of the term that time shall be strictly of the essence of this lease in respect of all other payments or covenants.

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ANY notice required to be served hereunder by the Lessor on the Lessee shall be deemed personally served when placed in an envelope, sealed, registered and deposited in any Post Office of the United States or Canada, addressed to the manager or other person notified to the Lessor as "the name and address for service" as provided in Schedule II hereto, and until such notice has been given by the Lessee to the Lessor, addressed as follows:

Soocana Gold Mines Limited, c/o Messrs. Hamilton & Carmichael,
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IT is agreed between the Lessor and the Lessee that the covenants, terms and conditions of this lease shall run with the land and shall both bind and benefit the heirs, executors, administrators, successors and assigns of the Lessor and Lessee respectively.

IN the event of there being more than one Lessee, each Lessee shall be bound to perform and observe each and every covenant, term and condition herein contained, and all covenants shall be deemed to be made jointly and severally by such Lessees.

"Railway Lands" shall mean lands, mines or mineral rights, wherever situate, of which the freehold, either in possession or reversion, and either at law or in equity, is in the Lessor.

"Mine" shall include any opening or excavation in, or working of the ground for the purpose of winning, opening up or proving any mineral or mineral-bearing substance, and any ore body, metal, mineral deposit, stratum, vein or seam, or cement, or place where mining is or may be carried on, and all ways, works, machinery, plant, buildings, and premises below or above ground belonging to or used in connection with the mine.

"Mine Assessor" shall mean the person so designated from time to time by the Lessor.

"Ton" and "Long Ton" shall mean two thousand two hundred and forty (2,240) pounds avoirdupois.

THE words "Lessor" and Lessee" and the personal pronouns "he" or "his" relating thereto and used therewith, shall be read and construed as "Lessor or Lessors", "Lessee or Lessees", and "it, its, she, her, them or their" respectively and vice versa, as the number and gender of the party or parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun substituted, and generally words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine, and words importing persons shall include firms and corporations and vice versa.

All rights, powers and remedies in this lease contained may be exercised from time to time, and all powers, rights and remedies of the Lessor shall be cumulative and shall not exclude any other powers, rights or remedies given by law. Nothing in any clause, covenant, term or condition in this lease contained shall in any manner abridge or restrict any rights or powers given by any other such clause, covenant, term or condition except where the context necessarily so requires, nor shall any rights or powers be given by implication from the inclusion herein of any such clause, covenant, term or condition.

IN WITNESS WHEREOF the Parties hereto have duly executed these presents.

Witness:

Executed by the Lessee in the presence of:

R. E. King
By the Lessor

By the Lessee
L. V. Yale

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

E. B. Barber — Seal
Vice-President

G. S. Saunderson
Secretary

THE SOOCANA GOLD MINES LIMITED
Lessee

C. A. Saunders — Seal
President.

Edward Thompson
Secretary,

SCHEDULE I

RULES FOR THE DETERMINATION OF ROYALTIES

For the purpose of determining the royalties payable hereunder the following rules shall prevail:

(1) Mines other than iron and pyrites mines.

The annual profits shall be ascertained and fixed in the following manner, that is to say: The gross receipts from the year's output of the mine, or in case the ore, mineral or mineral-bearing substance or any part thereof is not sold, but is treated by or for the Lessee, upon the premises or elsewhere, then the actual market value of the output, at the pit's mouth, or if there is no means of ascertaining the market value, or if there is no established market price or value, the value of the same as appraised by the mine assessor shall be ascertained, and from the amount so ascertained, the following, and no other, expenses, payments, allowances or deductions, shall be deducted and made, that is to say:

(a) The actual cost of transportation of any output sold if paid or borne by the Lessee;

(b) The actual and proper working expenses of the mine, both underground and above ground, including salaries and wages of necessary superintendents, captains, foremen, workmen, firemen, enginemen, labourers and employees of all sorts employed at or about the mine, together with the actual and proper salaries and office expenses for the necessary office work done at the mine, and in immediate connection with the operation thereof;

(c) The cost of supplying power and light, and of hire of horses used in the mining operation or in handling the ore or mineral;

(d) The actual cost price of food and provisions for all employees aforesaid, whose salaries or wages are made less by reason of being furnished therewith, and of fodder for horses used as above mentioned;

(e) The actual cost price of explosives, fuel and any other supplies necessarily consumed in the mining operations;

(f) Any actual and proper outlay incurred in safekeeping or protecting the mine or mineral product;

(g) The cost of proper insurance upon the output if paid or borne by the Lessee, and upon the mining plant, machinery, equipment and buildings used for or in connection with the actual mining operations, or for storing the ore or mineral;

(h) An allowance of a sum for annual depreciation, by ordinary wear and tear, of the said plant, machinery, equipment and buildings, such sum to be based upon the probable annual average cost of repairs and renewals necessary to maintain the same in a condition of efficiency and in no case to exceed for any year fifteen (15) per centum of the value at the commencement of such year, such value to be appraised by the mine assessor;

(i) The cost of actual work done in sinking new shafts, making new openings, workings, or excavations of any kind, or of stripping or trenching, in or upon the lands upon which the mine is situated, or upon any other Railway Lands leased or claimed by the Lessee, such work having for its object the opening up or testing for ore or mineral; Provided, however, that such expenditure is bona fide, and actually made or borne by the Lessee, and that separate accounts of such expenditure are kept and an affidavit or affidavits giving reasonable details of the nature, extent and location of such work shall be furnished to the Lessor with the annual statement hereinafter provided for;

(j) All taxes payable or profits taken under any Act of the Parliament of Great Britain and Ireland (insofar as the same are referable to operations carried on in Great Britain or Ireland) or of the Parliament of the Dominion of Canada, upon or from the profits of the mine or mining work or upon or from the profits made in smelting, refining or otherwise treating any of the products of the mine or mineral work.

No allowance or deduction shall in any case be made for cost of plant, machinery, equipment or buildings, nor for capital invested, nor for interest or dividend upon capital, or stock or investment, nor for depreciation in the value of the mine, mining land, or mining property by reason of exhaustion or partial exhaustion of the ore or mineral, but this shall not restrict the generality of anything hereinbefore contained.

All mines and mineral workings on Railway Lands occupied, worked or operated by the same person, firm or corporation, or under the same general management or control, or the profits of which accrue to the same person, firm or corporation, shall for the purpose of determining whether there is liability to royalty hereunder, be deemed to be and be dealt with as one and the same mine and not as separate mines.

(2) Iron and pyrites mines

For the purpose of ascertaining the number of tons mined in any month, the amount of ore raised during such month as shown on the records of the mine shall be accepted subject to correction.

Where ore has been concentrated, roasted, or otherwise treated before shipment so as to reduce its gross weight at pit mouth, royalties shall be based upon the weight of such ore after it has been prepared for shipment by being concentrated, roasted or otherwise treated, and such royalties shall increase over those charged for raw ores in the same ratio as such ores are concentrated, that is to say, if two tons of raw ore shall be required to make one ton of ore after treatment, the royalty on such finished product shall be Twenty Cents (20c) per long ton.

SCHEDULE II

NOTICES, ANNUAL STATEMENTS, KEEPING OF BOOKS, ETC.

(1) Notice of commencement and discontinuance of operations.

The Lessee shall within ten (10) days after the commencement of operations for taking ore, minerals, or mineral-bearing substances from the mine, notify the Lessor of the fact that such mine is in active operation, and shall give in such notice the name of the mine, and the name and address of the Lessee, manager and operator of such mine, and the name and address of the manager, or of some other person, to whom notices to be given under this lease may be sent (to be known as "the name and address for service"), and shall forthwith notify the Lessor of every change in the name and address of such manager or person, and of every change in the management or operation of such mine, and of every discontinuance of active operations, and of every recommencement thereof after discontinuance. And shall not ship, send, take or carry away, or permit to be shipped, sent, taken or carried away from the mine from which the same has been taken, any ore, mineral, or mineral-bearing substance, or any product thereof, until he shall have notified the Lessor that the mine from which the same has been taken is in active operation, as aforesaid.

(2) Annual statement.

The Lessee shall without any notice or demand to that effect, in addition to any other statements which may otherwise be required, on or before the first day of March in every year, deliver to the Lessor a detailed statement in which

or claimed by the Lessee, such work having for its object the opening up or testing for ore or mineral; Provided, however, that such expenditure is bona fide, and actually made or borne by the Lessee, and that separate accounts of such expenditure are kept and an affidavit or affidavits giving reasonable details of the nature, extent and location of such work shall be furnished to the Lessor with the annual statement hereinafter provided for;

(j) All taxes payable or profits taken under any Act of the Parliament of Great Britain and Ireland (insofar as the same are referable to operations carried on in Great Britain or Ireland) or of the Parliament of the Dominion of Canada, upon or from the profits of the mine or mining work or upon or from the profits made in smelting, refining or otherwise treating any of the products of the mine or mineral work.

No allowance or deduction shall in any case be made for cost of plant, machinery, equipment or buildings, nor for capital invested, nor for interest or dividend upon capital, or stock or investment, nor for depreciation in the value of the mine, mining land, or mining property by reason of exhaustion or partial exhaustion of the ore or mineral, but this shall not restrict the generality of anything hereinbefore contained.

All mines and mineral workings on Railway Lands occupied, worked or operated by the same person, firm or corporation, or under the same general management or control, or the profits of which accrue to the same person, firm or corporation, shall for the purpose of determining whether there is liability to royalty hereunder, be deemed to be and be dealt with as one and the same mine and not as separate mines.

(2) Iron and pyrites mines

For the purpose of ascertaining the number of tons mined in any month, the amount of ore raised during such month as shown on the records of the mine shall be accepted subject to correction.

Where ore has been concentrated, roasted, or otherwise treated before shipment so as to reduce its gross weight at pit mouth, royalties shall be based upon the weight of such ore after it has been prepared for shipment by being concentrated, roasted or otherwise treated, and such royalties shall increase over those charged for raw ores in the same ratio as such ores are concentrated, that is to say, if two tons of raw ore shall be required to make one ton of ore after treatment, the royalty on such finished product shall be Twenty Cents (20c) per long ton.

SCHEDULE II

NOTICES, ANNUAL STATEMENTS, KEEPING OF BOOKS, ETC.

(1) Notice of commencement and discontinuance of operations.

The Lessee shall within ten (10) days after the commencement of operations for taking ore, minerals, or mineral-bearing substances from the mine, notify the Lessor of the fact that such mine is in active operation, and shall give in such notice the name of the mine, and the name and address of the Lessee, manager and operator of such mine, and the name and address of the manager, or of some other person, to whom notices to be given under this lease may be sent (to be known as "the name and address for service"), and shall forthwith notify the Lessor of every change in the name and address of such manager or person, and of every change in the management or operation of such mine, and of every discontinuance of active operations, and of every recommencement thereof after discontinuance. And shall not ship, send, take or carry away, or permit to be shipped, sent, taken or carried away from the mine from which the same has been taken, any ore, mineral, or mineral-bearing substance, or any product thereof, until he shall have notified the Lessor that the mine from which the same has been taken is in active operation, as aforesaid.

(2) Annual statement.

The Lessee shall without any notice or demand to that effect, in addition to any other statements which may otherwise be required, on or before the first day of March in every year, deliver to the Lessor a detailed statement in which shall be set forth,—

(a) the name and description of the mine;

(b) the name and address of the person or persons leasing, managing and operating the same;

(c) the quantity of ore, minerals and mineral-bearing substances shipped or sent from or treated on the mining premises during the year ending thirty-first December last preceding;

(d) the name or names of the smelter or mill and locality to which the same or any part thereof was sent;

(e) the cost per ton for transportation to the smelter, refinery or mill, and actual, proper and necessary expenses of making sale, if any, and by whom paid or borne;

(f) the cost per ton for smelter or mill charges, and by whom paid or borne;

(g) the quantity of ore, minerals and mineral-bearing substances treated on the mining premises during said year;

(h) the value of the ore, minerals and mineral-bearing substances shipped after deducting the charges for making sales, and for transportation or for treatment;

(i) the value of the ore, minerals and mineral-bearing substances treated on the mining premises.

And such statement shall also show in another column or columns, with reasonable detail, the various expenses, payments, allowances and deductions which are proper to be made under the provisions of this lease; and such statement shall show by way of summary the total receipts or market value at the pit's mouth of the year's output, as in this lease specified, and the total amount of expenses, payments, allowances and deductions proper under this lease to be deducted therefrom, and the balance of profits for the year as in this lease provided.

And such statement and information shall be made and furnished by and under the oath of the Lessee, or if a corporation, by an officer thereof, or by the manager, occupier or operator of such mine; but the Lessor may require such information and statement, or any part thereof, to be given or verified under oath and by any other or others of such persons, or by any person connected with the operation or management of any such mine, and may in addition to the particulars above detailed require any other information, particulars or statement that may be thought expedient, and such requisition or requisitions may be made at any time or times the same may be deemed proper.

Provided that insofar as the information required by this Schedule is included in returns made to the Government of the Province of Ontario, the furnishing to the Lessor of duplicate copies of such returns shall be a sufficient compliance with the requirements thereof.

(3) Plans.

The Lessee shall on or before the first day of March in each and every year during the currency of this lease file with the Lessor accurate plans of all underground workings at that date on the lands demised.

(4) Books of account.

The Lessee shall keep, at or near the mine, proper books of account of the ore, minerals or mineral-bearing substa taken from the said mine, containing the quantity, weight and other particulars of the same and the value thereof, showing the returns of the amounts derived from the sale of such ores, minerals and mineral-bearing substances; and that ore, mineral or mineral-bearing substance taken out of any mine shall be removed therefrom or treated at any smelter, n

or refining works until the weight thereof shall have been correctly ascertained and entered in the said books of account; and to keep proper books showing each of the several expenses, payments, allowances or deductions mentioned herein, and showing any other facts and circumstances necessary or proper for ascertaining the amount of the royalty payable. If any doubt arises as to where such book or books shall be kept, or as to how many, or what books shall be kept, the mine assessor shall determine the number and character of books to be kept and the place or places at which they shall be kept.

(5) Inspection of records, etc.

The Lessee shall permit the Lessor through its agents, employees or appointees to enter upon the demised premises for the purpose of inspecting any records, checking any weights, or other thing, to ascertain the true weight or value of any ore mined on the said premises, and for this purpose the Lessee shall grant every assistance to the Lessor's agents, employees or appointees.

(6) Upon expiration of Lease.

The Lessee shall upon the expiration or other sooner determination of this lease deliver up to the Lessor all plans, records, assay reports and other information concerning the work carried on by the Lessee on the said premises and leave all diamond drill cores properly cared for, designated and housed in a suitable place on the said premises.

SCHEDULE III

RULES RESPECTING THE OPERATION OF MINES

(1) The Lessee shall observe in working and getting the demised mines and minerals all statutory provisions and lawful orders made by any competent authority for the time being in force relating to the working of mines and the getting of minerals of a like nature.

(2) The Lessee shall work and get the demised mines in a skilful and workmanlike manner according to the most approved practice for the time being adopted in similar mines in the province, and leave sufficient support for the surface of the said lands and adjoining or neighbouring lands, and for any buildings, works, operations and improvements thereon, and for the railway line of the Lessor. Provided that the Lessee may let down the surface upon obtaining the consent in writing of the Lessor.

(3) The Lessee shall conduct all mining or other operations on the said lands in such a manner as not to interfere with the enjoyment of adjoining or neighbouring lands and shall not roast any ore containing sulphur or other deleterious substances in the open air on the said lands or treat the same in such a way as to expose trees or other vegetation on the said lands or on adjoining or neighbouring lands to injury, and shall not divert, stop, dam up or pollute any rivers, streams, watercourses, springs or other waters.

(4) The Lessee shall make compensation and satisfaction to the Lessor and to other owner or owners, occupier or occupiers for the time being of the lands or any part thereof upon, over or in relation to which the liberties, powers and authorities hereby granted are hereby expressed to be made exercisable and to the owner or owners, occupier or occupiers of all other lands and grounds for any damage or injury which shall be done or occasioned by the exercise of the said liberties, powers and authorities or any of them to the surface of any lands or to any buildings, works, railways, bridges or other works or erections now erected or made or to be hereafter erected or made on any such lands or to any trees, fruit trees, bushes, shrubbery, vestures or crops standing or growing thereon or to any rivers, streams and watercourses or otherwise, and whether such damage shall have been occasioned by pit banks, rubbish heaps, railways, roads, creeps, shrinkings, smoke or vapour, or otherwise howsoever as the Lessor or such owner or owners, occupier or occupiers respectively shall or may be lawfully entitled to or for or in respect of such damage or injury, and this provision shall be applicable for any such damage or injury occasioned by letting down the surface whether or not the Lessee shall have obtained the Lessor's permission therefor.

(5) The Lessee shall keep the Lessor indemnified against all actions, suits, causes of action, liabilities, claims, demands, costs, charges, losses and expenses of every kind whatsoever to which the Lessor its estate or effects can or may be subject or liable in consequence of any such damage or injury as aforesaid or of any act or omission of the Lessee.

Dated August 1st, 1940.

The Algoma Central and Hudson Bay Railway Company

—TO—

BOOCHA GOLD MINES, LIMITED

Mining Lease

FOR YEARS

Commencing August 1st, 1940.

Ending July 31st, 2039.

APPENDIX "A"

FIRSTLY:

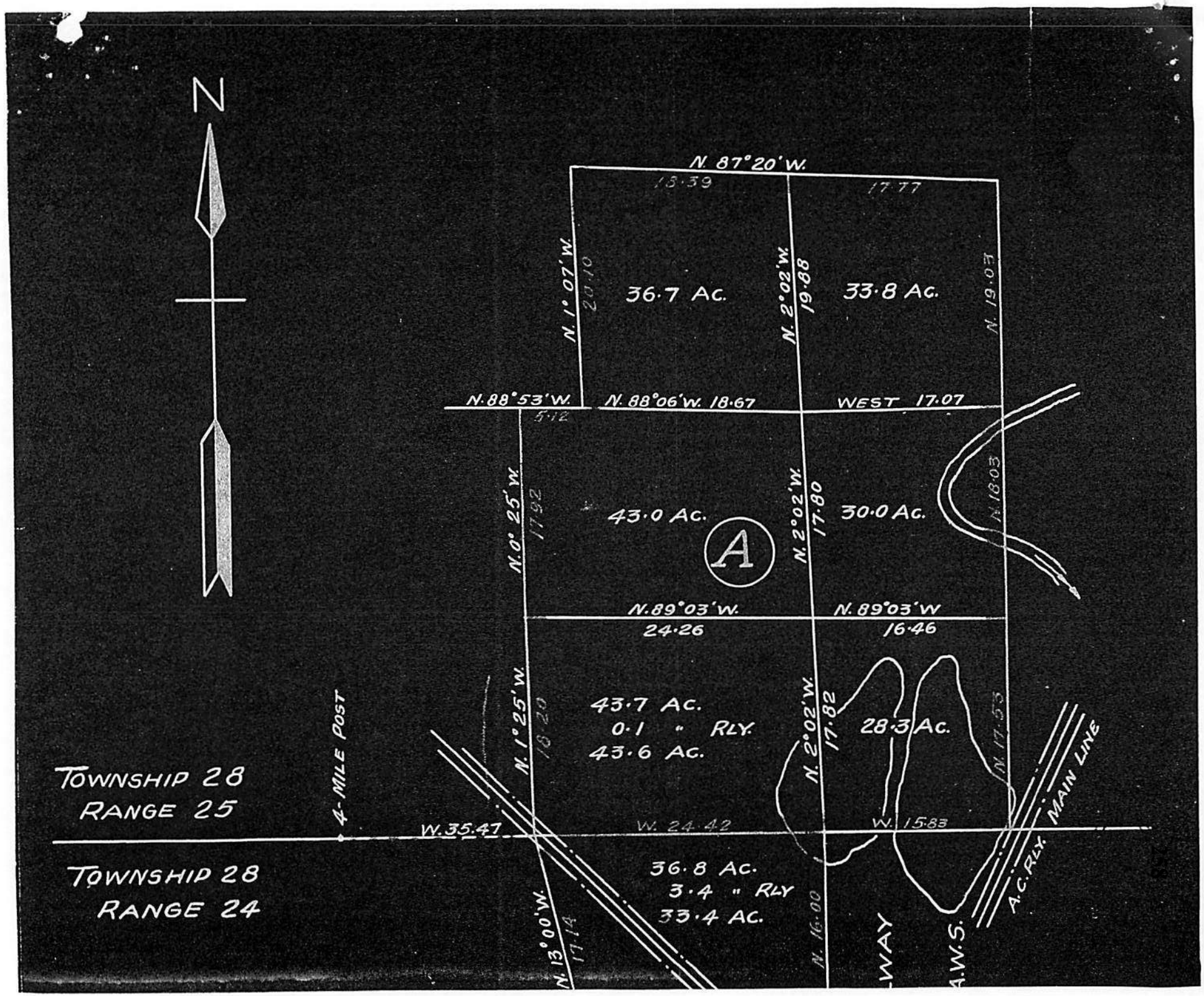
Commencing at the Number Four (04) mile post on the South limit of Township 28, Range 25, thence East astronomically along the said South limit thirty-five (35) chains forty-seven (47) links to the place of beginning. Thence East astronomically forty (40) chains twenty-five (25) links; Thence North astronomically fifty-four (54) chains fifty-nine (59) links; Thence North eighty-seven (87) degrees twenty (20) minutes West thirty-six (36) chains sixteen (16) links; Thence South One (01) degree seven (07) minutes East twenty (20) chains ten (10) links; Thence North eighty-eight (88) degrees fifty-three (53) minutes West five (05) chains twelve (12) links; Thence South No (0) degrees twenty-five (25) minutes East seventeen (17) chains ninety-two (92) links; Thence South one (01) degree twenty-five (25) minutes East eighteen (18) chains twenty (20) links more or less to the place of beginning SAVING and EXCEPTING the Right-of-Way of The Algoma Central and Hudson Bay Railway, and containing by admeasurement two hundred and fifteen and four-tenths (215.4) acres more or less, as shown outlined in red and marked "A" on the attached plan.

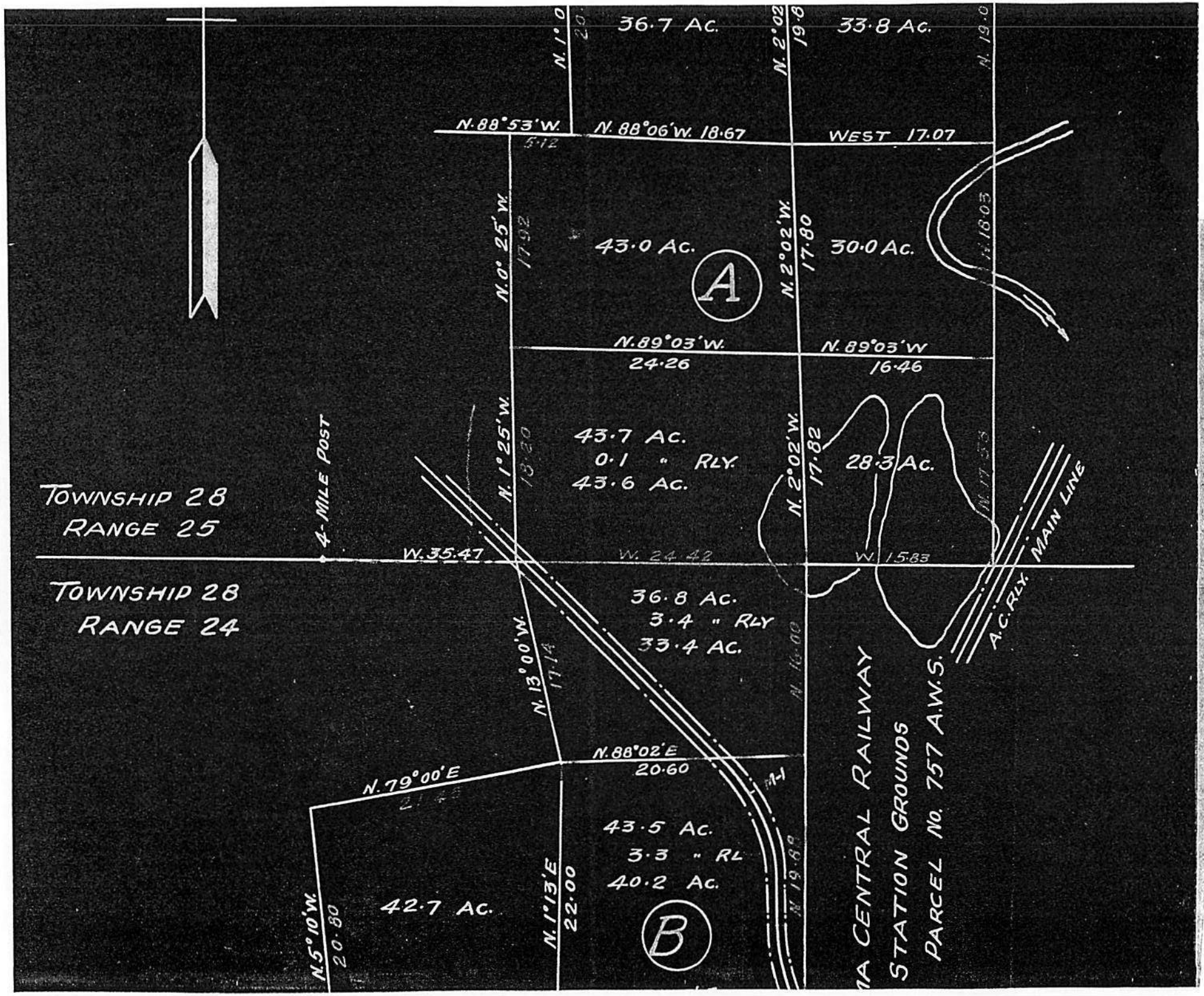
SECONDLY:

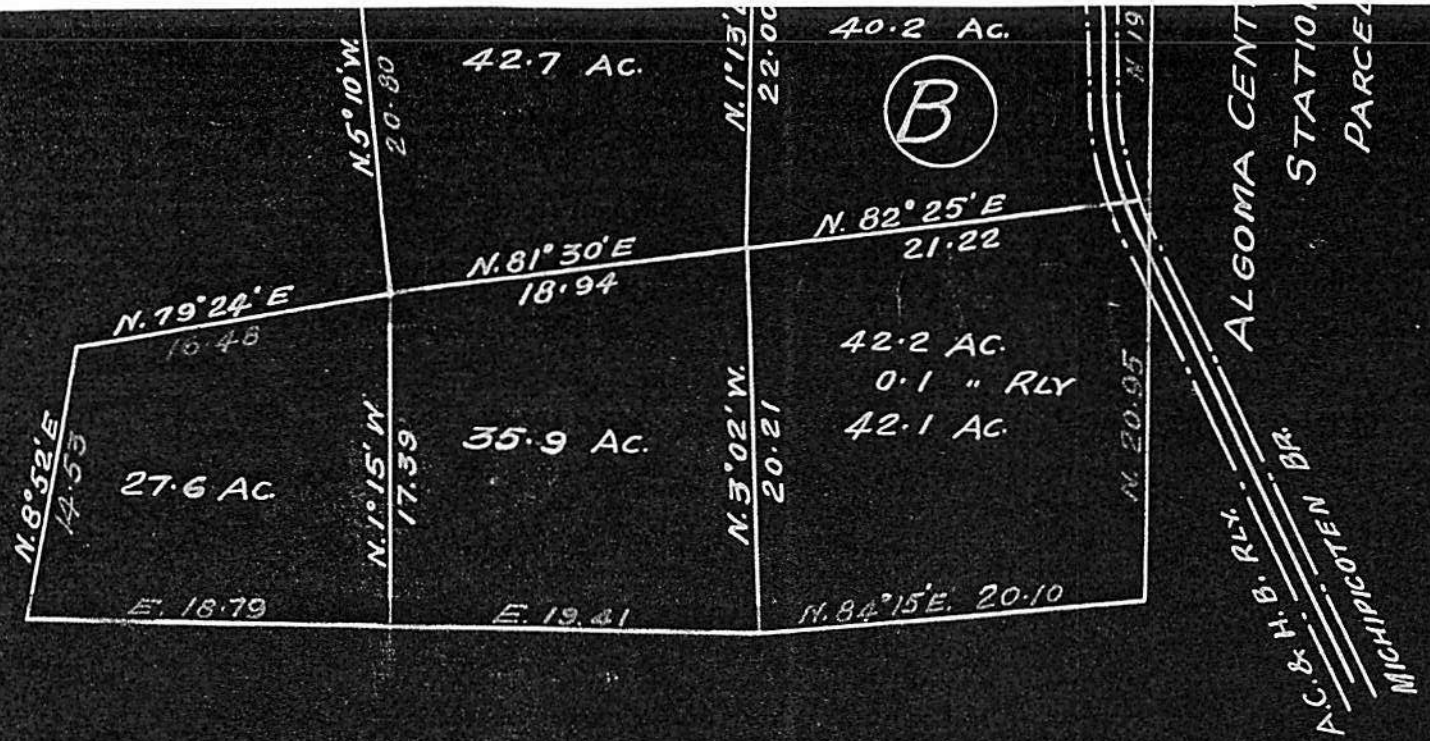
Commencing at the Number Four (04) mile post on the Northerly limit of Township 28, Range 24, thence East astronomically along said North limit thirty-five (35) chains forty-seven (47) links to the place of beginning; Thence South thirteen (13) degrees East seventeen (17) chains fourteen (14) links; Thence South seventy-nine (79) degrees West twenty-one (21) chains forty-five (45) links; Thence South five (05) degrees ten (10) minutes East twenty (20) chains eighty (80) links; Thence South seventy-nine (79) degrees twenty-four (24) minutes West sixteen (16) chains forty-eight (48) links; Thence South eight (08) degrees fifty-two (52)

minutes East fourteen (14) chains fifty-three (53) links; Thence East astronomically thirty-eight (38) chains twenty (20) links; Thence North eighty-four (84) degrees fifteen (15) minutes East twenty (20) chains ten (10) links more or less to a point on the Westerly limit of Parcel 757 Algoma West Section; Thence North astronomically along said Westerly limit of Parcel 757 Algoma West Section fifty-six (56) chains eighty-three (83) links to a point on the Northerly limit of Township 26, Range 24; Thence West astronomically along the said Northerly limit twenty-four (24) chains, forty-two (42) links more or less to the place of beginning, SAVING and EXCEPTING the Right-of-Way of The Algoma Central and Hudson Bay Railway, and containing by admeasurement two hundred and twenty-one and nine-tenths (221.9) acres more or less, as shown outlined in red and marked "B" on the attached plan.

The said Lessor is the registered owner of the freehold land registered in the Office of Land Titles at Sault Ste. Marie, Ontario, as Parcel Number 845 in the register for the District of Algoma West Section, and the land above described is part of the said parcel.


N
N. 87°20'W.
13·39
17·77
N. 1°07'W.
20·10
36·7 Ac.
N. 2°02'W.
19·88
33·8 Ac.
N. 19·03
N. 88°53'W.
5·12
N. 88°06'W. 18·67
WEST 17·07
N. 0°25'W.
17·92
43·0 Ac.
A
N. 2°02'W.
17·80
30·0 Ac.
N. 18·03
N. 89°03'W.
24·26
N. 89°03'W
16·46
N. 1°25'W.
18·20
43·7 Ac.
0·1 " RLY.
43·6 Ac.
N. 2°02'W.
17·82
28·3 Ac.
N. 17·53
4-MILE POST
TOWNSHIP 28
RANGE 25
W. 35·47
W. 24·42
W. 15·83
MAIN LINE
A.C. RLY.
TOWNSHIP 28
RANGE 24
36·8 Ac.
3·4 " RLY
33·4 Ac.
N. 13°00'W.
17·14
N. 16·00
WAY
A.W.S.


36.7 Ac.
33.8 Ac.
N. 1° 0
N. 2° 02
N. 88° 53' W.
N. 88° 06' W. 18.67
WEST 17.07
N. 0° 25' W.
43.0 Ac.
A
N. 2° 02' W.
17.80
30.0 Ac.
N. 89° 03' W.
24.26
N. 89° 03' W
16.46
N. 1° 25' W.
43.7 Ac.
0.1 " RLY.
43.6 Ac.
N. 2° 02' W.
17.82
28.3 Ac.
4-MILE POST
TOWNSHIP 28
RANGE 25
W. 35.47
W. 24.42
W. 15.83
TOWNSHIP 28
RANGE 24
36.8 Ac.
3.4 " RLY
33.4 Ac.
N. 13° 00' W.
N. 88° 02' E
20.60
N. 79° 00' E
43.5 Ac.
3.3 " RL
40.2 Ac.
N. 1° 13' E
22.00
42.7 Ac.
N. 5° 10' W.
20.80
B
A.C. RLY. MAIN LINE
MA CENTRAL RAILWAY
STATION GROUNDS
PARCEL No. 757 A.W.S.



THE ALGOMA CENTRAL AND HUDSON BAY RY. CO.

PLAN OF PART OF

TOWNSHIP 28 RANGES 24 & 25

DISTRICT OF ALGOMA — PROVINCE OF ONTARIO

TO ACCOMPANY MINING LEASE

WITH SOOCANA GOLD MINES LIMITED

437.30 ACRES

SCALE 1 IN. = 10 CHAINS DATED AUG. 1 ST 1940

This plan accurately shows the boundaries, measurements and location of the land leased by THE ALGOMA CENTRAL & HUDSON BAY RAILWAY COMPANY to

by annexed mining lease.

The Algoma Central and Hudson Bay Railway Company

President.

Secretary.

COPY

LAND TITLES ACT

I, D. V. Yale of the City of Sault Ste. Marie in the State of Michigan make oath and say:

I am a director of Toscana Gold Mines Ltd

Clyde A. Saunders whose signature is also affixed to the annexed document is the President of the said Company, and Edward Thompson whose signature is also affixed thereto, is the Secretary thereof, and the seal affixed thereto is the Corporate Seal of the said Company.

Under the By-laws of the said Company, the President and Secretary are empowered to execute on behalf of the Company all deeds and other instruments requiring the seal of the Company.

I am well acquainted with the said Clyde A. Saunders and Edward Thompson and saw them execute the said document, and I am a subscribing witness thereto.

Sworn before me at the City of Sault Ste Marie in the State of Michigan this eleventh day of December A.D. 1940.

D. V. Yale

Sam C. Taylor, Notary Public, Chippewa County Michigan

(Seal)

A Commissioner, etc.

My commission expires July 6, 1943

LAND TITLES ACT

I, Ralph Eugene King, of the City of Sault Ste. Marie in the District of Algoma make oath and say:

I am Assistant Secretary of THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY. E. B. Barber, whose signature is also affixed to the annexed document is the President of the said Company, and G. S. Saunderson, whose signature is also affixed thereto, is the Secretary thereof, and the seal affixed thereto is the Corporate Seal of the said Company.

Under the By-Laws of the said Company, the President and Secretary are empowered to execute on behalf of the Company all deeds and other instruments requiring the seal of the Company.

I am well acquainted with the said E. B. Barber and G. S. Saunderson and saw them execute the said document, and I am a subscribing witness thereto.

The said Company is, I verily believe, the owner of the land mentioned in the said document.

Sworn before me at the City of Sault Ste. Marie, in the District of Algoma this 27th day of December A.D. 1940.

Ralph Eugene King

J. Lepew

A Commissioner.

COPY

AGREEMENT

BETWEEN

SOOCANA GOLD MINES LIMITED
WILLIAM GEORGE HERBERT BENNETT
-and-
EDWARD THOMPSON
-and-
THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

No. N-882 Number of sheets attached .....

Re ASSIGNMENT OF MINING LEASE

We acknowledge having received ..... complete copies
With epitomes of above agreement.

Signature	Designation	Date

NOTE:—Distribution is only made to heads of Depts. interested. Every officer whose signature appears above will be held solely responsible for the due fulfillment of that portion of the agreement affecting his Department.

Copy agreements to be filed separately from these forms, the latter in respect of all subjects being batched together so as to make a series of permanent diaries.

63574

Note:—By keeping this to the front during the currency of this agreement nothing can be overlooked, as under the month and date appear those items to which periodical attention must be paid; read this in conjunction with epitome.

DIARY

In respect of agreement No. N-882 Re ASSIGNMENT OF MINING LEASE Soocana Gold Mines Limited to Edward Thompson

	Jan.		July 2nd - Date of assignment (Term of original lease 99 years)
	Feb.		Aug.
	Mar.		Sept.
	April		Oct.
	May		Nov.
	June		Dec.

EPITOME NO. N-882	ASSIGNMENT OF MINING LEASE
DATED:	JULY 2, 1947
PARTIES:	SOOCANA GOLD MINES LIMITED WILLIAM GEORGE HERBERT BENNETT -and- EDWARD THOMPSON -and- THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY
CONSIDERATION:	ONE DOLLARS ($1.00)
PREMISES:	ALL AND SINGULAR those certain parcels or tracts of lands and premises in Township 28, Ranges Twenty-four (24) and Twenty-five (25) in the District of Algoma in the Province of Ontario, and being composed of Two Hundred and Twenty-one and Nine Tenths (221.9) acres in the Northeasterly part of Township 28, Range 24, and Two Hundred and Fifteen and Four Tenths (215.4) acres in the Southeasterly part of Township 28, Range 25.

THIS INDENTURE made the 2nd day of July, One Thousand, Nine Hundred and Forty-seven.

B E T W E E N:

SOOCANA GOLD MINES LIMITED -and- WILLIAM GEORGE HERBERT BENNETT, of the City of Sault Ste. Marie, in the District of Algoma, Solicitor, the liquidator of Soocana Gold Mines Limited, hereinafter called the "Assignors"

OF THE FIRST PART

-and-

EDWARD THOMPSON, of the City of Sault Ste. Marie, in the State of Michigan, Trustee, hereinafter called the "Assignee"

OF THE SECOND PART

-and-

ALGOMA CENTRAL & HUDSON BAY RAILWAY COMPANY hereinafter called the "Party"

OF THE THIRD PART

WHEREAS by a Lease dated the 1st day of August, 1940, made between the Algoma Central and Hudson Bay Railway Company as Lessor and the said Soocana Gold Mines Limited as Lessee, the said Lessor did demise unto the said Lessee the following lands:

All and singular those certain parcels or tracts of lands and premises in Township 28, Ranges Twenty-four (24) and Twenty-five (25) in the District of Algoma in the Province of Ontario, and being composed of Two Hundred and Twenty-one and Nine-tenths (221.9) acres in the Northeasterly part of Township 28, Range 24, and Two Hundred and Fifteen and Four Tenths (215.4) acres in the Southeasterly part of Township 28, Range 25,

which are more particularly described in Appendix "A" of the said Lease;

TO HOLD from the 1st day of August, 1940, for the term of 99 years, subject to the Lessee's covenants and agreements contained in the said Lease.

AND WHEREAS the said William George Herbert Bennett was appointed Liquidator of the said Soccana Gold Mines Limited on the 9th day of November, 1946, and he has agreed to sell the said lands to the Assignee for the residue of the term granted by the said lease for the price of One ($1.00) Dollar.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said Agreement and in consideration of the sum of One ($1.00) Dollar, the said Liquidator in exercise of the power for this purpose conferred on him by the Companies Act, Revised Statutes of Ontario, 1937 Chapter 251, hereby grants and assigns the said lands unto the Assignee.

TO HAVE AND TO HOLD the said lands unto the Assignee, his heirs, executors, administrators and assigns, subject to the payment of the said rents and the observance and performance of the Lessee's covenants and conditions in the said Lease contained.

AND the Assignee hereby covenants with the Assignor that the Assignee shall and will, from time to time during the residue of the said term granted by the said Lease and every renewal thereof, pay the rent and perform the Lessee's covenants, conditions and agreements therein respectively reserved and contained,

and indemnify and save harmless the Assignor therefrom and from all actions, suits, costs, losses, charges, damages and expenses for or in respect thereof.

AND in consideration of the Party of the Third Part consenting to the aforesaid Assignment of Lease by the Assignor to the Assignee, and in pursuance of the provision contained in the said Lease, in respect to the Assignment or subletting thereof, the Assignee covenants and agrees with the Party of the Third Part to pay the rents and royalties and perform all of the covenants contained in the said lease. In consideration of the covenant by the Assignee as aforesaid, to pay the rents and royalties and perform all of the covenants contained in the said Lease, the Party of the Third Part hereby consents to the said Assignment of Lease by the Assignor to the Assignee.

AND it is hereby declared and agreed that this indenture shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators and assigns respectively.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals, the day and year first above written.

SIGNED, SEALED and DELIVERED in the presence of	
"E. Elliott"	"W. G. Herbert Bennett (seal) Liquidator of Soocana Gold Mines Ltd. SOOCANA GOLD MINES LIMITED (SEAL) By, "W. G. Herbert Bennett"
"C. B. Ryan"	"Edward Thompson" (seal) Edward Thompson ALGOMA CENTRAL & HUDSON BAY RAILWAY COMPANY By, "E. B. Barber" (Seal) Preside "G. S. Saunderson" Secret

CANADA)	I, ELORN ELLIOTT
PROVINCE OF ONTARIO	of the City of Sault Ste. Marie,
District of Algoma	in the District of Algoma,
To Wit:	Stenographer, make oath and say:

1. THAT I was personally present and did see the within Assignment duly signed, sealed and executed by Soocana Gold Mines, Limited, William George Herbert Bennett, Liquidator, and Edward Thompson, two of the parties thereto.

2. THAT I know the said parties and that the name "E. Elliott" set and subscribed as a witness to the execution thereof, is the proper handwriting of me, this deponent.

3. THAT the said Assignment was executed at the City of Sault Ste. Marie, in the District of Algoma, on the 29th day of August, A.D. 1947.

SWORN before me at the City of Sault Ste. Marie, in the District of Algoma, this 29th day of August, A.D. 1947.	"E. ELLIOTT"

"H. F. Hamilton"
A Commissioner, etc.

C A N A D A PROVINCE OF ONTARIO District of Algoma To Wit:	I, "WILLIAM GEORGE HERBERT BENNETT" of the City of Sault Ste. Marie, in the District of Algoma, Solicitor, make oath and say:

1.- THAT I was personally present and did see the within Assignment duly signed, sealed and executed by Edward Thompson and Ira L. Whitehead, two of the parties thereto.

2.- THAT I know the said parties and that the name "W. G. Herbert Bennett" set and subscribed as a witness to the execution thereof, is the proper handwriting of me, this deponent.

3.- THAT the said Assignment was executed at the City of Sault Ste. Marie, in the District of Algoma, on the 28th day of August, A.D. 1947.

SWORN before me at the City of Sault Ste. Marie in the District of Algoma this 10th day of September A.D. 1947.	"W. G. Herbert Bennett"

"D. E. Carmichael"
A Commissioner, etc.

COPY

Mining Lease

52

AGREEMENT

BETWEEN

EDWARD THOMPSON

and

IRA L. WHITEHEAD

and

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

No. N-883 Number of sheets attached

Re Assignment of Mining Lease

We acknowledge having received ..... complete copies With epitomes of above agreement.

Signature	Designation	Date

NOTE:—Distribution is only made to heads of Depts. interested. Every officer whose signature appears above will be held solely responsible for the due fulfillment of that portion of the agreement affecting his Department.

Copy agreements to be filed separately from these forms, the latter in respect of all subjects being batched together so as to make a series of permanent diaries.

6357

Note:—By keeping this to the front during the currency of this agreement nothing can be overlooked, as under the month and date appear those items to which periodical attention must be paid; read this in conjunction with epitome.

DIARY

In respect of agreement No. N-883 Re Assignment of Mining Lease/ Edward Thompson to Ira L. Whitehead

	Jan.		July
	Feb.		Aug. 28, 1947 - date of Assignment (Term of original lease 99 years)
	Mar.		Sept.
	April		Oct.
	May		Nov.
	June		Dec.

EPITOME No. N-883	ASSIGNMENT OF MINING LEASE
DATED:	AUGUST 28, 1947
PARTIES:	EDWARD THOMPSON -and- IRA L. WHITEHEAD -and- THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY
CONSIDERATION:	ONE DOLLAR ($1.00)
PREMISES:	All and singular those certain parcels or tracts of lands and premises in Township 28, Ranges Twenty-four (24) and Twenty-five (25) in the District of Algoma in the Province of Ontario, and being composed of Two Hundred and Twenty one and nine-tenths (221.9) acres in the northeasterly part of Township 28, Range 24, and Two Hundred and Fifteen and Four-tenths (215.4) acres in the South-easterly part of Township 28, Range 25, [illegible]

THIS INDENTURE made the 28th day of August, One Thousand Nine Hundred and Forty-seven.

B E T W E E N:

EDWARD THOMPSON of the City of Sault Ste. Marie, in the State of Michigan, Trustee, hereinafter called the "Assignor"

OF THE FIRST PART,

-and-

IRA L. WHITEHEAD, of the said City of Sault Ste. Marie, Contractor, hereinafter called the "Assignee"

OF THE SECOND PART,

-and-

ALGOMA CENTRAL & HUDSON BAY RAILWAY COMPANY, hereinafter called the "Party",

OF THE THIRD PART.

WHEREAS by Lease dated the 1st day of August, A.D. 1940 made between the Algoma Central and Hudson Bay Railway Company as Lessor and Soocana Gold Mines Limited as Lessee, the said Lessor did demise unto the said Lessee the following lands:

All and singular those certain parcels or tracts of lands and premises in Township 28, Ranges Twenty-four (24) and Twenty-five (25) in the District of Algoma in the Province of Ontario, and being composed of Two Hundred and Twenty-one and Nine-Tenths (221.9) acres in the Northeasterly part of Township 28, Range 24, and Two Hundred and Fifteen and Four-tenths (215.4) acres in the Southeasterly part of Township 28, Range 25, which are more particularly described in Appendix "A" of the said Lease;

To hold from the 1st day of August, 1940, for the term of ninety-nine (99) years, subject to the Lessee's covenants and agreements contained in the said Lease;

AND WHEREAS the Soocana Gold Mines Limited by its Liquidator, William George Herbert Bennett, under Indenture dated the 2nd day of July, One Thousand, Nine Hundred and Forty-seven, did assign the said Lease to the Assignor herein;

AND WHEREAS the Assignor herein has agreed to sell the said lands to the Assignee for the residue of the term granted by the said lease for the sum of One ($1.00) Dollar;

NOW THIS INDENTURE WITNESSETH that in pursuance of said Agreement and in consideration of the sum of One ($1.00) Dollar, the Assignor hereby grants and assigns the said lands unto the said Assignee herein.

TO HAVE AND TO HOLD the said lands unto the Assignee, his heirs, executors, administrators and assigns, subject to the payment of the said rents and the observance and performance of the Lessee's covenants and conditions in the said Lease contained.

AND the Assignee hereby covenants with the Assignor that the Assignee shall and will, from time to time during the residue of the said term granted by the said Lease and every renewal thereof, pay the rent and perform the Lessee's covenants, conditions and agreements therein respectively reserved and contained, and indemnify and save harmless the Assignor therefrom and from all actions, suits, costs, losses, charges, damages and expenses for or in respect thereof.

AND in consideration of the Party of the Third Part consenting to the aforesaid Assignment of Lease by the Assignor, to the Assignee, and in pursuance of the provision contained in the said Lease, in respect to the Assignment or sub-letting thereof, the Assignee covenants and agrees with the Party of the Third Part to pay the rents and royalties and perform all of the covenants contained in the said lease. In consideration of the covenant by the Assignee as aforesaid, to pay the rents and royalties and perform all of the covenants contained in the said Lease, the Party of the Third Part hereby consents to the said Assignment of Lease by the Assignor to the Assignee. X

AND it is hereby declared and agreed that this indenture shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators and assigns respectively.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals, the day and year first above written.

SIGNED, SEALED and DELIVERED in the presence of "W. G. Herbert Bennett"	"Edward Thompson" (Seal) Edward Thompson "Ira L. Whitehead" (Seal) Ira L. Whitehead ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY By "E. B. Barber" President. (SEAL) "G. S. Saunderson" Secretary.

(4)

COPY

T-140

THIS INDENTURE made in triplicate this First day of March, 1961.

B E T W E E N:

IRA L. WHITEHEAD of the City of Miami, in the State of Florida, one of the United States of America, hereinafter called "the Assignor"

OF THE FIRST PART

- and -

D. E. WEINRAUCH of the City of Miami, in the State of Florida, one of the United States of America, hereinafter called "the Assignee"

OF THE SECOND PART

- and -

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY, hereinafter called "the party"

OF THE THIRD PART

WHEREAS by Lease dated the First day of August, 1940, made between The Algoma Central and Hudson Bay Railway Company as Lessor and Soocana Gold Mines Limited as Lessee, the said Lessor did demise unto the said Lessee the lands known as Mining Claims A.C. 3041 to 3046 inclusive, in the Northeasterly part of Township 28, Range 24, and Mining Claims A.C. 3075 to 3077 inclusive and A.C. 3739 to 3741 inclusive in the Southeasterly part of Township 28, Range 25 as shown outlined in red on the attached plan and which are more particularly described in Appendix "A" of the said Lease.

To have and to hold from the First day of August 1940 for a term of ninety-nine (99) years, at a yearly rental therein stated and subject to the covenants, conditions and agreements therein contained.

AND WHEREAS the Soocana Gold Mines Limited by its Liquidator, William George Herbert Bennett, under indenture dated the 2nd day of July, 1947 did assign the said Lease to Edward Thompson.

AND WHEREAS by Assignment dated the 28th day of August, 1947 the said Edward Thompson did assign the said Lease to Ira L. Whitehead.

NOW THIS INDENTURE WITNESSETH that in consideration of other valuable consideration and the sum of Five Dollars now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged) the Assignor doth hereby grant and assign unto the Assignee ALL THOSE the said lands more particularly described in Appendix "A" of the said Lease, together with the residue unexpired of the term of years in the said lease and the said lease and all benefit and advantage to be derived therefrom.

To Have and To Hold unto the Assignee, subject to the payment of the rent and the observance and performance of the Lessee's covenants and conditions in the said Lease.

The Assignor covenants with the Assignee that notwithstanding any act of the Assignor the said Lease is a good, valid and subsisting lease and the covenants and conditions therein have been duly observed and performed by the Assignor up to the date hereof.

And that, notwithstanding as aforesaid, the Assignor now has in him good right, full power and absolute authority to assign the said lands and lease in manner aforesaid, according to the true intent and meaning of this indenture.

And that the Assignor shall and will from time to time, and at all times hereafter, at the request and cost of the Assignee, execute such further assurances of the said lands as the Assignee shall reasonably require.

And the Assignee covenants with the Assignor that the Assignee shall and will, from time to time during all the residue of the said term granted by the said lease and every renewal thereof, pay the rent and perform the Lessee's covenants, conditions and agreements therein respectively reserved and contained, and indemnify and save harmless the Assignor therefrom and from all actions, suits, costs, losses, charges, damages and expenses for or in respect thereof.

In Consideration of the Party of the Third Part consenting to the assignment of the abovementioned lease by the Assignor to the Assignee and in pursuance of the provisions contained in the said lease in respect to the assigning or subletting thereof, the Assignee covenants and agrees to and with the Party of the Third Part to pay the rents and royalties and perform all the covenants contained in the said lease.

In consideration of the covenants by the Assignee as aforesaid, to pay the rents and royalties and perform all the covenants contained in the said lease, the Party of the Third Part hereby consents to the assignment of the said lease by the Assignor to the Assignee.

And it is hereby declared and agreed that this indenture shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns, respectively.

IN WITNESS WHEREOF The parties hereto have duly executed these presents.

SIGNED, SEALED AND DELIVERED

in the presence of:

"Mrs. P.I. Wilbalis"

Stanley M. Silverman

"Ira L. Whitehead" Seal

Ira L. Whitehead

"D. E. Weihrauch" Seal

D. E. Weihrauch

"D. B Sawer"

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

"L. C. Waugh"

President & General Manager

Co Seal

"D. A. Berlis"

Secretary

(5)

COPY

THIS AGREEMENT made as of this First day of May 1967.

B E T W E E N:

DOROTHY E. WEIHRAUCH, of the City of New York, in the State of New York, one of The United States of America, hereinafter referred to as "the Assignor"

OF THE FIRST PART

- and -

JOHN W. WHITEHEAD, of the City of Miami, in the State of Florida, one of the United States of America, hereinafter referred to as "the Assignee"

OF THE SECOND PART

WHEREAS the Assignor pursuant to a mining lease made as of the First day of August 1940 with the Algoma Central and Hudson Bay Railway Company (now known as the Algoma Central Railway), is the mining lessee of all those lands known as mining claims AC 3041 to 3046 inclusive, in the northeasterly part of Township 28, Range 24 and mining claims AC 3075 to 3077 inclusive and AC 3739 to 3741 inclusive in the Southeasterly part of Township 28, Range 25, as shown outlined in red on plan attached.

AND WHEREAS the aforementioned mining lease is in full force and effect.

AND WHEREAS the Assignor is desirous of assigning one-half of her interest in the aforementioned mining lease to the "Assignee".

NOW THEREFORE in consideration of the premises and the mutual covenants herein contained and the sum of One Dollar ($1.00) and other good and valuable consideration now paid by the Assignee to the Assignor (receipt of which is hereby acknowledged by the Assignor), the Assignor hereby grants and assigns unto the Assignee one-half of her right, title and interest in and to the aforementioned mining lease.

IN WITNESS WHEREOF the parties hereto have executed these presents.

SIGNED, SEALED and DELIVERED in the presence of

DOROTHY E. WEIHRAUCH

JOHN W. WHITEHEAD

WITNESS to signature of John W. Whitehead

NOTARY PUBLIC, STATE OF FLORIDA at LARGE
MY COMMISSION EXPIRES APR. 24, 1970
BONDED THROUGH FRED W. DIESTELHORST

Algoma Central Railway (formerly known as the Algoma Central and Hudson Bay Railway Company), hereby consents to the assignment of one half interest by Dorothy E. Weihrauch to John W. Whitehead in accordance with covenant (3) of the mining lease dated August 1 1940 between Dorothy E. Weihrauch and the Algoma Central Railway on the express understanding that Dorothy E. Weihrauch and John W. Whitehead agree to be and are hereby jointly and severally liable to the Algoma Central Railway for compliance with all of the terms, conditions and covenants of Dorothy E. Weihrauch as contained in the aforementioned mining lease.

Dorothy E. Weihrauch and John W. Whitehead in consideration of the foregoing consent hereby agree to be jointly and severally liable to the Algoma Central Railway for compliance with all of the terms, conditions and covenants of Dorothy E. Weihrauch as contained in the aforementioned mining lease.

Dated this 29th day of May 1967.

SIGNED, SEALED and DELIVERED in the presence of:

ALGOMA CENTRAL RAILWAY,
formerly known as the
Algoma Central & Hudson Bay
Railway Company

President & General Manager

Assistant Secretary

John W. Whitehead

Witness

Dorothy E. Weihrauch

ASSIGNMENT OF LEASE

THIS ASSIGNMENT made as of the 4th day of June, 1997

A M O N G:

ELIZABETH LIESELOTTE GREYER HOPKINS,
LAWRENCE MILTON HESS, and R. BRIAN CORNWELL
Executors of the Estate of ALBERT PARKER EUGENE HOPKINS
(also known as Albert E. Hopkins), Deceased

(hereinafter called the "Assignor")

OF THE FIRST PART;

- and -

ALBERT HOPKINS ENTERPRISES LIMITED, a corporation
incorporated under the laws of the Province of Ontario

(hereinafter called the "Assignee")

OF THE SECOND PART;

- and -

ALGOMA CENTRAL CORPORATION, a corporation created
under a Special Act of Parliament of the Government of Canada
previously known as the Algoma Central and
Hudson Bay Railway Company

(hereinafter called the "Lessor")

OF THE THIRD PART.

WHEREAS by a lease dated the 1st day of August, 1940 (herein called the "Lease"), which Lease was subsequently assigned to Albert E. Hopkins, the Lessor named therein leased to Soocana Gold Mines Limited, its successors and assigns certain mining claims and mineral

rights (herein called the "Claims") more particularly described in Schedule A attached hereto, for a term of ninety-nine (99) years from the 1st day of August, 1940, subject to the terms and conditions all as set forth therein;

AND WHEREAS Albert E. Hopkins died on the 11th day of November, 1988 and Letters Probate were issued to the Assignor under Court File No. 7309/88 in the Surrogate Court of the Judicial District of York;

AND WHEREAS the Assignee has requested the Assignor to sell the residue of the said term of years and to assign to it the Lease.

NOW THEREFORE this Agreement witnesseth that in consideration of the covenants contained herein and the sum of Two Dollars ($2.00) and other good and valuable consideration paid by the Assignee to the Assignor, the receipt and sufficiency whereof are hereby by it acknowledged, the parties hereto agree as follows:

1. The Assignor as beneficial owner hereby assigns to the Assignee the Assignor's interest in the Claims together with the unexpired residue of the terms of the Lease and the Lease and all benefits to be derived therefrom, subject to the payment of the rent and the observance and performance of the covenants, provisos and conditions on the part of the Lessee contained therein.

2. The Assignee covenants with the Lessor to assume all the clean-up obligations outstanding against the Assignor under the *Mining Act* of the Province of Ontario. In this regard, the Assignee represents and warrants that it has the capacity financially to carry out the clean-up obligations which are still outstanding against the Assignor as aforesaid.

3. The Assignor covenants with the Assignee that the Lease is a valid and subsisting Lease, that the covenants, provisos and conditions thereof on the part of the Lessee have been duly observed and performed up to the date hereof, save and except for the clean-up obligations as set forth in the immediately preceding paragraph, that the Assignor is entitled to assign the Lease, that subject to the payment of the rent and observance and performance of the covenants, provisos and conditions of the Lease the Assignee may enjoy the claims for the residue of the term of the Lease without interruption by the Assignor or any persons claiming through them, and that the Assignor shall at all times hereafter at the request and cost of the Assignee execute such further assurances in respect of this Assignment as the Assignee may reasonably require.

4. The Lessor hereby consents to this Assignment by the Assignor to the Assignee as above written, and except for this Assignment the covenant in the Lease against assignment and subletting shall remain in full force and effect.

IN WITNESS WHEREOF we have caused these presence to be signed as of the date first mentioned above.

SIGNED, SEALED AND DELIVERED in the presence of:

Witness as to the signature of Elizabeth Lieselotte Greyer Hopkins

Witness as to the signature of Lawrence Milton Hess

Witness as to the signature of R. Brian Cornwell

ALBERT PARKER EUGENE HOPKINS (also known as Albert E. Hopkins), Deceased

Elizabeth Lieselotte Greyer Hopkins
Executrix

Lawrence Milton Hess
Executor

R. Brian Cornwell
Executor

ALBERT HOPKINS ENTERPRISES LIMITED

Per: Elizabeth Hopkins
Authorized Signing Officer

ALGOMA CENTRAL CORPORATION

Per:
Authorized Signing Officer

Per:
Authorized Signing Officer

Mgr. Planning & Development
Algoma Central Properties Inc.

SCHEDULE A

1. Part of Parcel 13 Algoma Central railway being a 99 Year mining Lease for Mining Claims AC3041 to 3046 inclusive in Esquega twp. 28, R.24.

2. Part of Parcel 15 Algoma Central Railway being a 99 Year mining Lease for Mining Claims AC3075, AC3076, AC3077, AC3739, AC3740 and AC3741 in Corbiere Tp. 28, R.25.

ALGOMA CENTRAL PROPERTIES INC.
MANAGING PROPERTIES ON BEHALF OF ALGOMA CENTRAL CORPORATION

TEL (705) 949 7233
FAX (705) 949-7382

STEVE KENT, M.P.P.
MANAGER PLANNING & DEVELOPMENT

P.O. BOX 7000
289 BAY STREET
SAULT STE. MARIE
ONTARIO
P6A 5P8

December 16, 1996

File: 530.52

REGISTERED

Estate of Albert Hopkins
c/o Mrs. Elizabeth Hopkins
810 Duplex Avenue
TORONTO, Ontario
M4R 1W7

Re: Mining Lease Agreement between The Algoma Central and Hudson Bay Railway Company (now Algoma Central Corporation) ("ACC") and Soocana Gold Mines Limited (now, by assignments, the Estate of Albert Hopkins) ("Hopkins") dated the 1st day of August, 1940

Dear Mrs. Hopkins:

Please be advised that portions of the lands covered by the captioned agreement were recently investigated by ACC staff for any safety or environmental concerns that may have resulted from mining activity carried out under the terms of the said agreement.

We hereby advise that one mine shaft (approximately 10' x 10' at the opening and dropping at a very steep angle to water/ice approximately 12' below grade) was located together with a metal compressor system (approximately 3' x 5' x 10' long on steel skids) on the lands covered by the captioned agreement.

As provided in the captioned agreement, it is the Lessee's (Hopkins) responsibility to comply with all statutory provisions related to the working of mines, and in this instance we refer

specifically to Subsections 1 and 6 of Section 23 (2) of Ontario Regulation 114/91 concerning the rehabilitation of mining land.

Within 45 days of the date of this letter, we request that you contact the undersigned for further discussion and confirmation with respect to the scheduling of activities necessary to comply with the aforementioned legislation.

Sincerely,

SK:mb

j:\totnine\wordpro\docs\dl\letters\hopkins.lwp

(2)

Explorers Alliance Corporation

Suite 1800, 95 Wellington Street West, Toronto, Ontario M5J 2N7
Tel. (416) 360-5333
Fax. (416) 360-4419

File 530.52

CONFIDENTIAL
FAX TRANSMISSION

TO:	**W.S. Vaughan**
COMPANY:	**C/O Aird & Berlis**
FAX#:	**364-4916**
FROM:	**R.N. Granger**
DATE:	**February 24, 1997**
# of pages(this included):	**4**
MESSAGE:	Re: Soocana Claims - ACR

Steve:

John and I have had a look at a property on ACR Lands called the Soocana. I enclose a one-page document which describes the claims in detail under the heading property.

I also enclose a copy of a letter from Algoma Central Properties Inc. to the Estate of Albert Hopkins dated December 16, 1996.

From your sources, can you tell us if these leased claims are in good standing and what, if any, problems exist around the letter dated December 16th.

Best regards,

March 17/97 - left mess. w WSV
- estimate $20,000 to clean-up (similar to Kozak + difficult access)
- Eric Eisler has been dealing w NORENT RESOURCES

R.N. Granger

Attach.

SOOCANA

Claims Detail Sheet

LOCATION

The claims are located in Esquega and Corbiere Townships approximately 20 kilometers northeast of Wawa at Hawk Junction (NTS 42C/2).

The property has good access, being adjacent to the village of Hawk Junction which is 76 kilometers from Wawa along Highways 101 and 547. Rail lines of Algoma Central Railway cross the property.

PROPERTY

Soocana consists of twelve leased claims numbered AC3041 to AC3046 incl., AC3075 to AC3077 incl. and AC3739 to AC3741 incl. and three unpatented staked claims numbered AC11335, AC11336 and AC11338.

The property is subject to a 2% net profits royalty to Algoma Central Railway who granted the original leases.

GEOLOGY & MINERALIZATON

The property overlies an area of mafic volcanic which have been intruded by quartz porphyry. Quartz veins containing sulphide mineralization and gold have been traced for 300 meters in a north-northwesterly direction within the quartz porphyry. Surface trenches along the zone have returned values of 7.75 to 47.7 grams per tonne over widths up to 6 meters while average values in a shaft sunk on the vein were 7.75 grams per tonne over 2.13 meters.

An east-west trending zone of massive pyrite in quartz-carbonate-green mica schist has been traced to within 300 meters of the west boundary of the claims in an area which is covered by extensive sand deposits.

These pyritic schists have been found locally to carry gold values.

HISTORY

Gold in pyrite was discovered in the Hawk Junction area as early as 1908 while the Algoma Centra Railway was being built. Subsequent prospecting in the area led to the discovery of gold, on what is now the Soocana property by Reed and Booth in 1934. The Soocana Mining Company Ltd. completed trenching, diamond drilling and shaft sinking in the period 1938 to 1939.

CONCLUSION

The property carries a series of well-mineralized quartz veins which have not been explored in recent times. A serious exploration program would have a good chance of developing a viable but small gold deposit.

A.E. Hopkins Enterprises Ltd.
810 Duplex Ave., Toronto, ON, Canada M4R 1W7
tel: (416) 489-8375/(416) 491-6874 fax: (416) 490-6858

Louise Haran

From: Sharon Hudson [shudson@sheldonhuxtable.com]
Sent: Thursday, December 04, 2008 4:32 PM
To: Louise Haran
Subject: Assignment of Lease

Louise, here is the contact information for the Lessor of the Corbiere/Esquega lease:

3011651 Nova Scotia Limited
c.o.b. Cedar Falls Forest Resources
c/o Stamp 'N Win
150 Churchill Blvd.
Box 20082
Sault Ste. Marie, Ontario
P6A 6W3

Dec 4/08
Sharon requested
I on Virgie to forward copies
of rentals paid on the Corbiere/
Esquega Lease.
If not heard from him by
beginning of January call him.
Let Sharon know status.
LH

Ian M. Frazier, CA
FACTS Ltd.
Property Manager for Cedar Falls Forest Resources

Ph: (705) 248-3378
Fax: (705) 248-1139

Regards,

Sharon J. Hudson
Corporate Law Clerk

Sheldon Huxtable Professional Corporation
#1801 - 180 Dundas Street West
Toronto, Ontario M5G 1Z8
CANADA

Telephone: (416) 595-5151, Ext. 121
Fax: (416) 595-5959
E-mail: shudson@sheldonhuxtable.com

Louise Haran

From:	Kellie Frazier <kellie.frazier@factsltd.com>
Sent:	December-06-12 9:19 AM
To:	Louise Haran
Cc:	ian.frazier@factsltd.com; John Walmsley
Subject:	New requirements for Exploration Plans and Permits
Attachments:	New Requirements For Exploration Plans and Permits.pdf

Louise,

Please find attached a letter that the Property Manager and Geologist wanted sent out to all companies that have mining licenses or leases with Cedar Falls Forest Resources, Michipicoten Forest Resources or Naveau Enterprises.

Sincerely,

Kellie Frazier

Kellie Frazier
Lease Administrator
PH: 705-248-3378
FAX: 705-248-1139

Property Managers for:
Cedar Falls Forest Resources
Michipicoten Forest Resources
Naveau Enterprises

FACTS Ltd.

A Consulting & Resource Management Company
714 Finn's Bay Road, Echo Bay, ON P0S 1C0
Tel: 705-248-3378 Fax: 705-248-1139

Property Manager for:

Michipicoten Forest Resources, Cedar Falls Forest Resources, Naveau Enterprises Limited
c/o Stamp 'N Win, 150 Churchill Blvd, Box 20082, Sault Ste. Marie, ON P6A 6W3

New Requirements For Exploration Plans and Permits

It is our understanding that the new regulations of the mining act that came into effect November 1, 2012, apply only to crown lands, leases and licenses of occupation and that free hold patents, which covers the lands licensed for exploration by Michpicoten Forest Resources and Cedar Falls Forest Resources, are exempt. Further, if work conducted on these lands is to be transferred to adjacent crown lands, it is our understanding that the Plans and Permits do not apply as long as none of the work is carried out on the adjacent crown lands. Further, it is also our understanding that the duty to consult with First Nations on these lands is not a requirement until the closure plan stage though answers to this question by MNDM were slightly less firm.

New changes to the mining act that do affect exploration on these lands are the new rules for bulk sampling AND (most importantly), the new Provincial Standards on how exploration activities are to be carried out and subsequent rehabilitation on completion of the work (note the three (3) conditions which require the cementing of the top 30m of a drill hole).

The above summary is our interpretation of the new regulations as it applies to patented lands and does not in any way relieve the licensee from any regulations that do apply to patented lands but have been mis-interpreted. We encourage the licensee of a mineral exploration license with one of these above companies to contact the MNDM to determine what new regulations may affect exploration on these lands.

Respectfully,

John R. Walmsley
PensInk Information Technologies Ltd.
RR#1
Richards Landing, ON P0R 1J0
cell (705) 971-6211

molhea@gmail.com

ALGOMA CENTRAL RAILWAY

W. LEONARD OLIPHANT, R.P.F.
MANAGER - LANDS & FORESTS DEPARTMENT

TELEPHONE 949-2113
AREA CODE 705

P.O. BOX 7000
SAULT STE. MARIE, ONTARIO
P6A 5P6

File: 550.01

Feb. 24, 1987

Hopkins Exploration Consultants
Attn: Albert Hopkins
810 Duplex Avenue
Toronto, Ontario
M4R 1W7

Dear Mr. Hopkins:

Enclosed herewith renewed permit #11 for the period ending March 31, 1988. We are also enclosing claim maps for Corbiere (closed) and Esquega Townships. Your two claims in Esquega lapsed in October 1986. We are in the process of recording some new claims in the north-west corner of Esquega and upon completion we will immediately forward an updated map.

Yours very truly,

W. L. Oliphant
Manager - Lands & Forests Dept.

HRG
HIGH RIVER GOLD

Mike S
Esquega, Corbiere
Title Search

Sage Gold
Hopkins
from Hopkins Estate
papers

www.hrg.ca

(Form 21)

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

RECORD OF MINING CLAIM NO. AC 11335

NOTE:— All claims are subject to any unpaid school taxes.

STAKER'S NAME Charles H. Mortimer PERMIT NO. 19
Address of Staker Box 136, Timmins, Ontario
APPLICANT'S NAME Same as above PERMIT NO.
Address of Applicant
TOWNSHIP 28 RANGE 24 LOT CONCESSION
Description of Location

Lying east of 306 Patented Claim and north of AC 3042 M.L. in Esquega Township.

Date of Staking April 13, 1987 Date of Recording April 24, 1987

Reported Work

Transfers or other documents filed

COPY

Dated at Sault Ste. Marie, this 24 day of April 19 87

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

Per .....
Mines Department

FORM 7

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

APPLICATION TO RECORD THE STAKING OUT OF A MINING CLAIM

To the Mining Recorder of Algoma Central Railway

1. I, CHARLES H. MORTIMER
(Christian Names) (Surname) (Please Print)

BOX 136 TIMMINS ONT
(Address of Applicant in full)

holder of Prospector's Permit No. 19 issued the 1ST day of APRIL 1987, which Prospector's Permit or renewal thereof for the current year is exhibited herewith or attached hereto, hereby make application to record the staking out of a mining claim containing 40 acres, or thereabouts, composed of the lands shown on the sketch or plan annexed hereto, and shown hereunder, and more particularly described as follows:

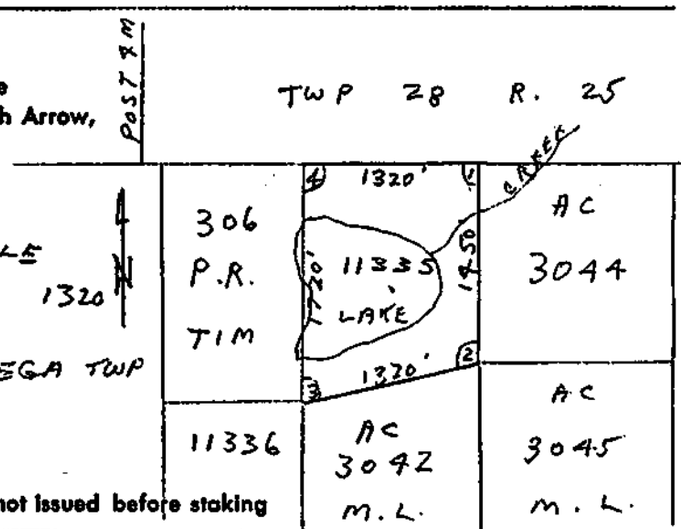
EAST OF CLAIM 306 IN ESQUEGA TWP.
(Description of locality of claim)

(sketch or plan of claim, indicating the number of the claim in group to be shown in this space) show scale, North Arrow, Railroads, Roads, Adjoining claims, Hydro-lines, and water when applicable.

Including land under water
excl. sand and gravel
excl. 400' surface rights reservation
excl. H.E.P.C. R/W
excl. road allowance
excl. railway R/W

SCALE 1" = 1320

ESQUEGA TWP



2. Strike out the following if claim tags not issued before staking

This mining claim is numbered 11335. and I have affixed the proper tags at the proper corners.

3. I staked out the claim on the 13TH day of APRIL 1987 at the hour of 8 a.m. p.m. o'clock standard time

Dated at HAWK JUNCTION

this 16TH

day of APRIL 1987

C H Mortimer
(Signature of Applicant (Permit Holder)

Service for non-resident may be made upon _____

whose residence and post office address is _____

(Form 21)

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

RECORD OF MINING CLAIM NO. AC 11336

NOTE:— All claims are subject to any unpaid school taxes.

STAKER'S NAME Charles H. Mortimer PERMIT NO. 19
Address of Staker Box 136, Timins Ontario
APPLICANT'S NAME Same as above PERMIT NO.
Address of Applicant
TOWNSHIP 28 RANGE 24 LOT CONCESSION
Description of Location

Lying east of 306 Patented Claim and north of AC 3042 M.L. in Esquega Township.

Date of Staking April 13/87 Date of Recording April 24/87

Reported Work

Transfers or other documents filed

COPY

Dated at Sault Ste. Marie, this 24 day of April 1987

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

Per .....
Mines Department

FORM 7

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

APPLICATION TO RECORD THE STAKING OUT OF A MINING CLAIM

To the Mining Recorder of Algoma Central Railway

1. I, CHARLES H MORTIMER
(Christian Names) (Surname) (Please Print)

BOX 136 TIMMINS ONT.
(Address of Applicant in full)

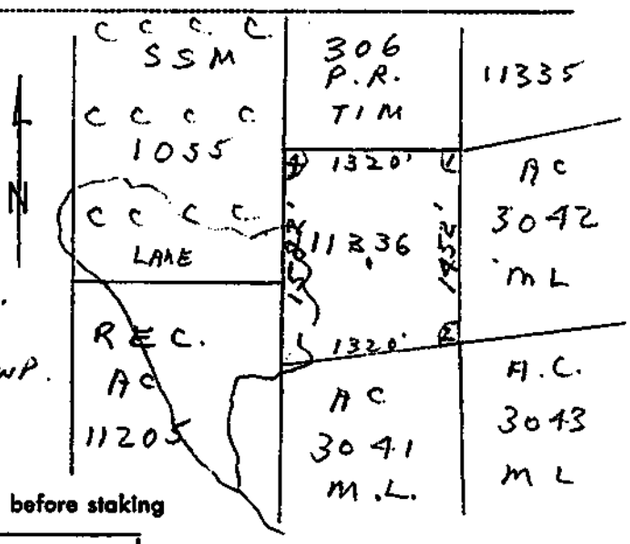
holder of Prospector's Permit No. 19 issued the 1ST day of APRIL 1987, which Prospector's Permit or renewal thereof for the current year is exhibited herewith or attached hereto, hereby make application to record the staking out of a mining claim containing 40 acres, or thereabouts, composed of the lands shown on the sketch or plan annexed hereto, and shown hereunder, and more particularly described as follows:

SOUTH OF CLAIM 306 IN ESQUEGA TWP.
(Description of locality of claim)

(sketch or plan of claim, indicating the number of the claim in group to be shown in this space) show scale, North Arrow, Railroads, Roads, Adjoining claims, Hydro-lines, and water when applicable.

Including land under water
excl. sand and gravel
excl. 400' surface rights reservation
excl. H.E.P.C. R/W
excl. road allowance
excl. railway R/W

SCALE 1" = 1320'
ESQUEGA TWP.



2. Strike out the following if claim tags not issued before staking

This mining claim is numbered 11336. and I have affixed the proper tags at the proper corners.

3. I staked out the claim on the 13TH day of APRIL 1987 at the hour of 10 a.m. p.m. o'clock standard time

Dated at HAWK JUNCTION

this 16TH

day of APRIL 1987

C H Mortimer
(Signature of Applicant (Permit Holder)

Service for non-resident may be made upon _____

whose residence and post office address is _____

(Form 21)

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

RECORD OF MINING CLAIM NO. AC11338

NOTE:— All claims are subject to any unpaid school taxes.

STAKER'S NAME Charles H. Mortimer PERMIT NO. 19
Address of Staker Box.136, Timmins, Ontario
APPLICANT'S NAME Same as above PERMIT NO.
Address of Applicant
TOWNSHIP 28 RANGE 24 LOT CONCESSION
Description of Location

Lying south of AC 3046 M.L. and east of AC 11324 in Esquega Township

Date of Staking April 14/87 Date of Recording April 24/87

Reported Work

Transfers or other documents filed

COPY

Dated at Sault Ste. Marie, this 24 day of April 19 87

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

Per .....
Mines Department

FORM 7

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

APPLICATION TO RECORD THE STAKING OUT OF A MINING CLAIM

To the Mining Recorder of Algoma Central Railway

1. I, CHARLES H. MORTIMER.
(Christian Names) (Surname) (Please Print)

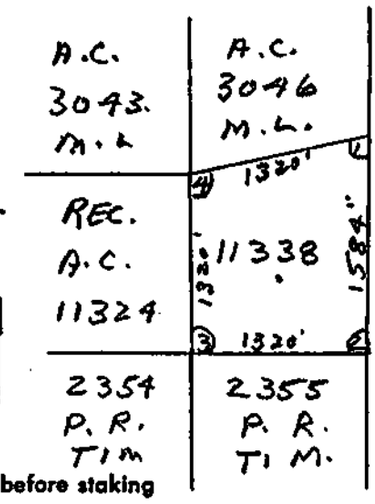
BOX 136 TIMMINS ONT.
(Address of Applicant in full)

holder of Prospector's Permit No. 19 issued the 15T day of APRIL 1987, which Prospector's Permit or renewal thereof for the current year is exhibited herewith or attached hereto, hereby make application to record the staking out of a mining claim containing 40 acres, or thereabouts, composed of the lands shown on the sketch or plan annexed hereto, and shown hereunder, and more particularly described as follows:

SOUTH OF CLAIM 3046 IN ESQUEGA TWP.
(Description of locality of claim)

(sketch or plan of claim, indicating the number of the claim in group to be shown in this space) show scale, North Arrow, Railroads, Roads, Adjoining claims, Hydro-lines, and water when applicable.

Including land under water
excl. sand and gravel
excl. 400' surface rights reservation
excl. H.E.P.C. R/W
excl. road allowance
excl. railway R/W



2. Strike out the following if claim tags not issued before staking

This mining claim is numbered 11338. and I have affixed the proper tags at the proper corners.

3. I staked out the claim on the 14TH day of APRIL 1987 at the hour of 10 a.m. p.m. o'clock standard time

Dated at HAWK JUNCTION

this 16TH

day of APRIL 1987

C H Mortimer
(Signature of Applicant (Permit Holder)

Service for non-resident may be made upon _____

whose residence and post office address is _____

HOPKINS EXPLORATION CONSULTANTS
MINING ENGINEERS, GEOLOGISTS, GEOPHYSICISTS

810 Duplex Avenue,
TORONTO, Ont.
M4R 1W7

TELEPHONE
416.489.8375.

BRANCH OFFICE
BEARDMORE, Ontario.

19 Feb. 1987.

Mrs. Norma Ingram,
Asst. ACR. Mining Recorder,
P.C. Box 7000,
289 Bay St.,
SAULT STE. MARIE,
Ontario.
P6A 5P6.

Dear Norma,

Enclosed please find my cheque in favour of the A.C.R. in the amount of $8.00, for which please renew my Miners' License No. ACR.11 for 1987-8.

Also please send me up to date claim twp. map whiteprints of Esquego and Corbiere twps. Is Corbiere twp. now open for staking , I presume that my two Esquega claims Nos. AC.11081 and 11082 are expired, and are now open for re-staking.

With best wishes for the New Year,

I remain,

Yours truly,

(encl.)

Albert Hopkins.

HOPKINS EXPLORATION CONSULTANTS
MINING ENGINEERS, GEOLOGISTS, GEOPHYSICISTS

810 Duplex Avenue,
TORONTO, Ont.
M4R 1W7

TELEPHONE
416.489.8375.

BRANCH OFFICE
BEARDMORE, Ontario.

19 Feb. 1987.

Mrs. Norma Ingram,
Asst. ACR. Mining Recorder,
P.O. Box 7000,
289 Bay St.,
SAULT STE. MARIE,
Ontario.
P6A 5P6.

Dear Norma,

Enclosed please find my cheque #672 in favour of the A.C.R. in the amount of $8.00, for which please renew my Miners' License No. ACR.11 for 1987-8.

Also please send me up to date claim twp. map whiteprints of Esquega and Corbiere twps. Is Corbiere twp. now open for staking , I presume that my two Esquega claims Nos. AC.11081 and 11082 are expired, and are now open for re-staking.

With best wishes for the New Year,

I remain,

Yours truly,

(encl.)

Albert Hopkins.

HOPKINS EXPLORATION CONSULTANTS
MINING ENGINEERS, GEOLOGISTS, GEOPHYSICISTS

810 Duplex Avenue,
TORONTO, Ont.
M4R 1W7

TELEPHONE
416.489.8375.

BRANCH OFFICE
BEARDMORE, Ontario.

20 March 1986.

AC. Mining Recorder,
Algoma Central Railway,
P.O. Box 7000,
Sault Ste. Marie,
Ontario.
P6A 5P6.

Renewal of Prospector's Permit No. 11

Dear Ms. Ingram,

Enclosed please find my cheque for five dollars to pay for the renewal renewal of my ACR. Prospector's Permit No. 11 for another year. My application form (signed) is also enclosed.

Just inside the N. boundary of Esquega twp. is a claim No. 306.PR.TIM., adjoining my staked claim No. AC.11082. I believe it is a Timber Reservation. Am I allowed to stake the mineral rights of this timber claim, or must I buy the mineral rights from the owner if I want them? If the latter, will you please give me the name and address of the owner.

I am planning aerial geophysical surveys over my 2 staked and 12 optioned claims in Esquega and Corbiere twps. this summer. The 12 mineral leases are optioned by me from Weirauch and Whitehead of Miami, Fla.

Looking forward to your reply,

Yours very truly,

(encls.)

AH.

Albert Hopkins.

SERVICE ASSOCIATES
(CONSULTANTS TO MANAGEMENT)

65 BROADWAY AVENUE SUITE 2206
TORONTO, ONT. M4P-1T9 TELEPHONE (416)483-0912

HOPKINS EXPLORATION CONSULTANTS
MINING ENGINEERS, GEOLOGISTS, GEOPHYSICISTS

810 Duplex Avenue,
TORONTO, Ont.
M4R 1W7

TELEPHONE
416.489.8375.

BRANCH OFFICE
BEARDMORE, Ontario.

20 March 1986.

AC. Mining Recorder,
Algoma Central Railway,
P.O. Box 7000,
Sault Ste. Marie,
Ontario.
P6A 5P6.

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Looking forward to your reply,

Yours very truly,

(encls.)

AH.
Albert Hopkins.

SERVICE ASSOCIATES
(CONSULTANTS TO MANAGEMENT)

65 BROADWAY AVENUE SUITE 2206
TORONTO, ONT. M4P-1T9 TELEPHONE (416)483-0912

MINING CLAIMS RECORDED

Not valid unless signed by Permit Holder

(Signature)

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

RENEWAL OF PROSPECTOR'S PERMIT
(INDIVIDUAL)

No. 11 Fee $ 5.00

Under the Regulations of the Mines Department of Algoma Central Railway and subject to the limitations thereof, this Renewal of Prospector's Permit No. 11 dated the 1st day of April 19 86 is issued to ALBERT HOPKINS of 810 DUPLEX AVE., TORONTO, ONTARIO

This permit expires on the 31st day of March next following the date hereof.

Sault Ste. Marie, Ontario, April 1, 19 86

Signature of Mining Recorder

ALGOMA CENTRAL RAILWAY

W. LEONARD OLIPHANT, R.P.F.
MANAGER - LANDS & FORESTS DEPARTMENT

TELEPHONE 949-2113
AREA CODE 705

P.O. BOX 7000
SAULT STE. MARIE, ONTARIO
P6A 5P6

March 19, 1987

"Hold for Arrival"

Mr. Charles Mortimore
c/o Big Bear Hotel
Hawk Junction, Ontario
POS 1KO

Dear Sir:

As per Mr. Hopkin's instructions we are forwarding to you a 1986-87 Prospecting Permit, 1987-88 renewal, ten tags and a claim map for Esquega Township.

Yours very truly,

for W. L. Oliphant
Manager - Lands & Forests Dept.

NJI:sp

Encl.

cc: Albert Hopkins
Hopkins Exploration Consultants
810 Duplex Avenue
Toronto, Ontario
M4R 1W7

- Thank you for the article on Algoma Steel it was quite interesting, we had not seen it before.

HOPKINS EXPLORATION CONSULTANTS
MINING ENGINEERS, GEOLOGISTS, GEOPHYSICISTS

810 Duplex Avenue,
TORONTO, Ont.
M4R 1W7

TELEPHONE
416.489.8375.

BRANCH OFFICE
BEARDMORE, Ontario.

13 March '87.

Mining Recorder,
ACR.,
P.O. Box 7000,
SSM., Ont.

Dear Mrs. Ingram,

Enclosed please find my cheque for $20.00 for ACR., to purchase a 1986-7 Miners' License for Chas. Mortimer of Timmins, Ont., and its renewal for 1987-8, plus 10 sets of metal claim tags for Mortimer. Also enclosed is his application for the license, and an article on the ACR & Algoma Steel.

Please send these licenses and tags to Mr. Mortimer to him, % Big Bear Hotel, Hawk Jctn., Ont. as soon as possible, marked "Hold for arrival". Any further correspondence on this matter or Mortimer should be via my office here.

Much obliged,

Al Hopkins

(encl.)

ALBERT HOPKINS
810 DUPLEX AVE.
TORONTO, CANADA
M4R 1W7
(416) 489-8375

16 May 87.

Chas. Mortimer
Box 136,
TIMMINS,
Ont.

Dear Chas!

Enclosed are 2 ACR. transfer forms to be signed, witnessed, and notarized, 1 by you and t'other by Reino Jarvi, before I can use those ACR. claims.

So the only claims of yours completed to date that I can use, as far as I am concerned, are:-

5 claims Horwood twp.
3 " Esquega twp. (Soocana 11335, 11336 and 11338)
18 " Doré twp.

26 claims Total @ $110 = $2860.00

To date I have paid you:-

			my cost
Feb. 87 in Toronto, advance			$1,000.00
30 March telephoned from Toronto to BNS, Timmins $550			566.00
	ACR. tags	10.00	
	Purolator	14.75	
	Phone Calls	15.00	
	ACR. licenses	10.00	
		$49.75	49.75
16 april I mailed a chq. to BNS, Timmins			1,500.00
12 May " " " " " Box 136, "			1,000.00
16 " (herewith)			1,000.00
		Total to date	$5,115.75

So to date I have overpaid (or advanced) you
$5,115.75 less $2680.00 = $2,435.75

As you record, & properly transfer claims to me, with copies of recording sketches, applications, mining recorder's receipts, etc. I will credit your acct. and when you have a credit balance, I shall send you more money. There is lots of work at Beardmore & Dryden. I'll be coming North to Swayze & Beardmore soon.

Regards, Al H.

(encls.)

C. Mortimer
Box 136 Timmins

Total to Date

Hello Albert

Feb: 87	You advanced me in Toronto	$100.00
30 Mar 87	You sent to Bank Nova Scotia in Timm	550.00
16 Apr. 87	You mailed cheque to Bank of Nova Scotia Timm	1500.00
12 May 87.	I mailed Chas. $1000 chq. on my Timmins a/c to P.O. Box 136:	1,000.00 4050
16	- - - - - - - - - - - - - - - -	1,000.00 5050
		5,050

I have ~~staked~~ staked and ~~recorded~~ recorded
5 claims in Harwood Twp
$ 550.00
29 in Esquega 3190.00
3740.00
3050.00
$690.00

You owe me for the above staking $690.00 less:-

ACR Twp	10.00
2 ACR licenses:	10.00
Phone calls	15.00
Purolator	14.75
cost of T.T. $550.00 to Timmins	$16.00
	BNS $65.75

Please find enclosed my cheque with account # 06611-39 number please send my money to this account number; fill out the ACR transfers mail back and I will notarize them in Timmins

A. HOPKINS ENTERPRISES LTD.
810 DUPLEX AV.
TORONTO, CANADA, M4R 1W7
Phones (416) 489-8275 or 3645

6 May '87

Dear Charley,

To date I have received no official recordings from Hawk Jctn., nor Doré – Heenan – Marion tps. The only 5 claims I received that were recorded + negotiable were in Horwood twp. To date I sent you $3050 ±. With the enclosed you now have $4050 of my money which would pay for 37 $\left(\frac{4050}{110} = 37\right)$ claims, but I have only received 5 claims complete. So you owe me 32 claims. I'll send no more money until I get at least 35 more claims. I still have 100 claims for you to stake near Beardmore + Dryden, if they are not staked already by others.

Impatiently, Al Hopkins.

(over)

THE BANK OF NOVA SCOTIA
~~BEARDMORE~~ BRANCH, 1 PINE ST. South
TIMMINS ~~BEARDMORE~~, ONT. P4N. 2S9.

Scotiabank

NO. 1. DATE 6 May 1987.

PAY TO THE ORDER OF Charles Mortimer (BNS. a/c# 6611-39) — $ 1,000.00

SUM OF One Thousand — 00/100 DOLLARS

ACCOUNT NO. 7227-31.

on account of staking.

Albert Hopkins.

THE BANK OF NOVA SCOTIA
BEARSMORE BRANCH #11072.
TIMMINS, ONT.

Scotiabank

NO. 3. DATE 16 May '87.

PAY TO THE ORDER OF Chas. H. Mortimer $ 1,000.00

SUM OF One Thousand 00 DOLLARS

ACCOUNT NO. 07227-31.

Albert Hopkins.

FORM 10

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

TRANSFER OF UNPATENTED MINING CLAIM(S) ON ALGOMA CENTRAL RAILWAY LANDS

I, CHARLES H. MORTIMER the recorded holder of 100% (Specify amount of interest held) interest in 3 Mining CLAIMS ~~11381, 11382, 11383, 11384,~~ 11385, 11386, ~~11387,~~ 11388, ~~11335,~~ 11336, ~~11337 AND~~ 11338

3 Claim Number(s) AC.11335, 11336, and 11338. (Claim numbers must be listed separately) as transferor in consideration of two dollars or other valuable consideration paid to me transfer 100% (Specify amount of interest being transferred) interest in 3 Mining Claim Number(s) AC.11335, AC.11336 and AC.11338 (claims must be listed separately) Esquega Tp. 24, Rge. 24. (Township(s) or Areas)

To (Address)

The holder of Prospector's Permit Number as Transferee.

Dated at this day of 19

Signature of Witness

C H Mortimer
Signature of Transferor

PERMIT No. 19

AFFIDAVIT OF SUBSCRIBING WITNESS

District of / County or
(I,
(of the of
(in the of
(make oath and say:

1. That I was personally present and did see the attached instrument signed and executed by one of the parties thereto.
2. That the attached instrument was executed at
3. That I know the said party.
4. That I am a subscribing witness to the attached instrument.

Sworn before me at)
In the of)
this day of)
19)

(Signature of Witness)

(Signature of Mining Recorder or Commissioner)

When transferee is not a resident of Ontario,

Name

Residence in Ontario and

Post-Office Address

of person upon whom service may be made.

(Form 21)

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

RECORD OF MINING CLAIM NO. AC 11335

NOTE:— All claims are subject to any unpaid school taxes.

STAKER'S NAME Charles H. Mortimer PERMIT NO. 19
Address of Staker Box 136, Timmins, Ontario
APPLICANT'S NAME Same as above PERMIT NO.
Address of Applicant
TOWNSHIP 28 RANGE 24 LOT CONCESSION
Description of Location

Lying east of 306 Patented Claim and north of AC 3042 M.L. in Esquega Township.

Date of Staking April 13, 1987 Date of Recording April 24, 1987

Reported Work

Transfers or other documents filed

COPY

Dated at Sault Ste. Marie, this 24 day of April 19 87

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

Per ..... Mines Department

FORM 7

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

APPLICATION TO RECORD THE STAKING OUT OF A MINING CLAIM

To the Mining Recorder of Algoma Central Railway

1. I, CHARLES H. MORTIMER
(Christian Names) (Surname) (Please Print)

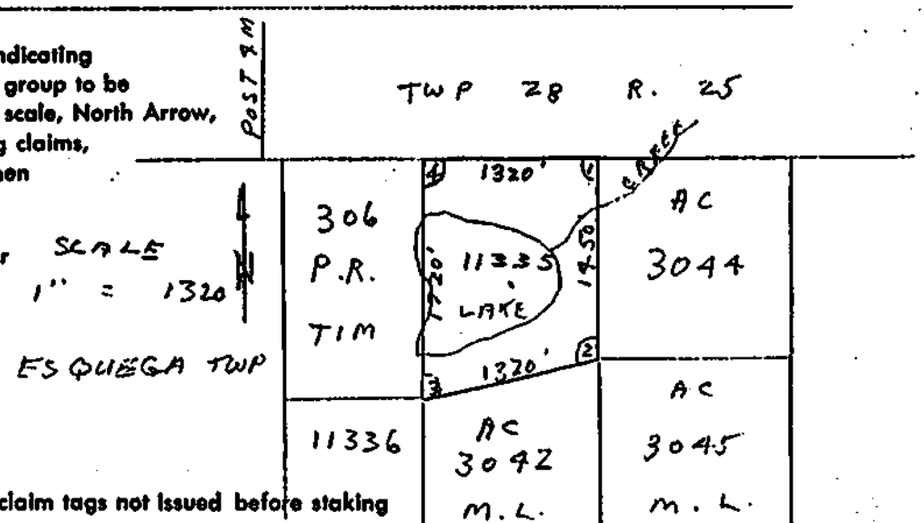
BOX 136 TIMMINS ONT
(Address of Applicant in full)

holder of Prospector's Permit No. 19 issued the 1ST day of APRIL 19 87, which Prospector's Permit or renewal thereof for the current year is exhibited herewith or attached hereto, hereby make application to record the staking out of a mining claim containing 40 acres, or thereabouts, composed of the lands shown on the sketch or plan annexed hereto, and shown hereunder, and more particularly described as follows:

EAST OF CLAIM 306 IN ESQUEGA TWP.
(Description of locality of claim)

(sketch or plan of claim, indicating the number of the claim in group to be shown in this space) show scale, North Arrow, Railroads, Roads, Adjoining claims, Hydro-lines, and water when applicable.

Including land under water
excl. sand and gravel
excl. 400' surface rights reservation
excl. H.E.P.C. R/W
excl. road allowance
excl. railway R/W



2. Strike out the following if claim tags not issued before staking

This mining claim is numbered 11335. and I have affixed the proper tags at the proper corners.

3. I staked out the claim on the 13 TH day of APRIL 19 87 at the hour of 8 a.m. p.m. o'clock standard time

Dated at HAWK JUNCTION

this 16TH

day of APRIL 19 87

C H Mortimer
(Signature of Applicant (Permit Holder)

Service for non-resident may be made upon _____

whose residence and post office address is _____

(Form 21)

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

RECORD OF MINING CLAIM NO. AC 11336

NOTE:— All claims are subject to any unpaid school taxes.

STAKER'S NAME Charles H. Mortimer PERMIT NO. 19
Address of Staker Box 136, Timins Ontario
APPLICANT'S NAME PERMIT NO.
Address of Applicant Same as above
TOWNSHIP 28 RANGE 24 LOT CONCESSION
Description of Location

Lying east of 306 Patented Claim and north of AC 3042 M.L. in Esquega Township.

Date of Staking April 13/87 Date of Recording April 24/87

Reported Work

Transfers or other documents filed

COPY

Dated at Sault Ste. Marie, this 24 day of April 1987

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

Per .....
Mines Department

FORM 7

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

APPLICATION TO RECORD THE STAKING OUT OF A MINING CLAIM

To the Mining Recorder of Algoma Central Railway

1. I, CHARLES H MORTIMER
(Christian Names) (Surname) (Please Print)

BOX 136 TIMMINS ONT.
(Address of Applicant in full)

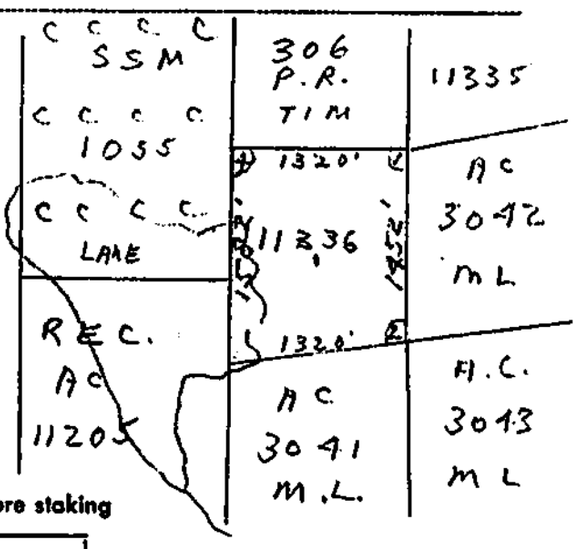
holder of Prospector's Permit No. 19 issued the 1ST day of APRIL 1987, which Prospector's Permit or renewal thereof for the current year is exhibited herewith or attached hereto, hereby make application to record the staking out of a mining claim containing 40 acres, or thereabouts, composed of the lands shown on the sketch or plan annexed hereto, and shown hereunder, and more particularly described as follows:

SOUTH OF CLAIM 306 IN ESQUEGA TWP.
(Description of locality of claim)

(sketch or plan of claim, indicating the number of the claim in group to be shown in this space) show scale, North Arrow, Railroads, Roads, Adjoining claims, Hydro-lines, and water when applicable.

Including land under water
excl. sand and gravel
excl. 400' surface rights reservation
excl. H.E.P.C. R/W
excl. road allowance
excl. railway R/W

SCALE 1" = 1320'
ESQUEGA TWP.



2. Strike out the following if claim tags not issued before staking

This mining claim is numbered 11336. and I have affixed the proper tags at the proper corners.

3. I staked out the claim on the 13TH day of APRIL 1987 at the hour of 10 a.m. p.m. o'clock standard time

Dated at HAWK JUNCTION
this 16TH
day of APRIL 1987

C H Mortimer
(Signature of Applicant (Permit Holder)

Service for non-resident may be made upon _____

whose residence and post office address is _____

(Form 21)

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

RECORD OF MINING CLAIM NO. AC11338

NOTE:— All claims are subject to any unpaid school taxes.

STAKER'S NAME Charles H. Mortimer PERMIT NO. 19
Address of Staker Box.136, Timmins, Ontario
APPLICANT'S NAME Same as above PERMIT NO.
Address of Applicant
TOWNSHIP 28 RANGE 24 LOT CONCESSION
Description of Location

Lying south of AC 3046 M.L. and east of AC 11324 in Esquega Township

Date of Staking April 14/87 Date of Recording April 24/87

Reported Work

Transfers or other documents filed

COPY

Dated at Sault Ste. Marie, this 24 day of April 19 87

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

Per [signature]
Mines Department

FORM 7

ALGOMA CENTRAL RAILWAY
MINES DEPARTMENT

APPLICATION TO RECORD THE STAKING OUT OF A MINING CLAIM

To the Mining Recorder of Algoma Central Railway

1. I, CHARLES H. MORTIMER.
(Christian Names) (Surname) (Please Print)

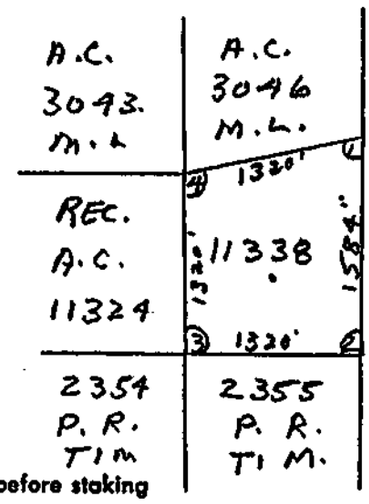
BOX 136 TIMMINS ONT.
(Address of Applicant in full)

holder of Prospector's Permit No. 19 issued the 15T day of APRIL 1987, which Prospector's Permit or renewal thereof for the current year is exhibited herewith or attached hereto, hereby make application to record the staking out of a mining claim containing 40 acres, or thereabouts, composed of the lands shown on the sketch or plan annexed hereto, and shown hereunder, and more particularly described as follows:

SOUTH OF CLAIM 3046 IN ESQUEGA TWP.
(Description of locality of claim)

(sketch or plan of claim, indicating the number of the claim in group to be shown in this space) show scale, North Arrow, Railroads, Roads, Adjoining claims, Hydro-lines, and water when applicable.

Including land under water
excl. sand and gravel
excl. 400' surface rights reservation
excl. H.E.P.C. R/W
excl. road allowance
excl. railway R/W



2. Strike out the following if claim tags not issued before staking

This mining claim is numbered 11338. and I have affixed the proper tags at the proper corners.

3. I staked out the claim on the 14 TH day of APRIL 1987 at the hour of 10 a.m. p.m. o'clock standard time

Dated at HAWK JUNCTION

this 16TH

day of APRIL 1987

C H Mortimer
(Signature of Applicant (Permit Holder)

Service for non-resident may be made upon _____

whose residence and post office address is _____

FACTS Ltd.

A Consulting & Resource Management Company
714 Finn's Bay Road, Echo Bay, ON P0S 1C0
Tel: 705-248-3378 Fax: 705-248-1139

Property Manager for:
Michipicoten Forest Resources, Cedar Falls Forest Resources, Naveau Enterprises Limited
c/o Stamp 'N Win, 150 Churchill Blvd, Box 20082, Sault Ste. Marie, ON P6A 6W3

March 30, 2008

Sheldon Huxtable, Professional Corporation
Barristers & Solicitors
Attn: Sharon Hudson, Corporate Law Clerk
180 Dundas Street, Suite 1801
Toronto, ON M5G 1Z8

RE: Mining Land Claims Information – Albert Hopkins Enterprises Limited

Dear Sharon:

Find enclosed copies of all the agreements and assignments that we located in the file regarding the mining land claims located in Esquega and Corbiere Townships. Now that the file has been located we also need to provide Albert Hopkins Enterprises Limited with an invoice to cover the time period of August 1, 2007 – July 31, 2008. I also have continued concerns regarding the status of these claims due to some of the letters (see attached letter dated December 16, 1996) stating there are open shafts, etc. and I cannot see where this has been resolved.

I would greatly appreciate any update that you can provide once you have reviewed the documents. Also, if you require anything further, please let us know.

Sincerely,

Ian M. Frazier, CA
Property Manager

Encl.

ASSIGNMENT OF LEASE

THIS ASSIGNMENT made as of the ____ day of _____, 2008

A M O N G:

ALBERT HOPKINS ENTERPRISES LIMITED, a corporation incorporated under the laws of the Province of Ontario

(hereinafter called the "**Assignor**")

OF THE FIRST PART

- and -

SAGE GOLD INC., a corporation incorporated under the laws of the Province of Ontario

(hereinafter called the "**Assignee**")

OF THE SECOND PART

- and -

CEDAR FALLS FOREST RESOURCES

(hereinafter called the "**Lessor**")

OF THE THIRD PART

WHEREAS by a lease dated the 1st day of August, 1940 (herein called the "**Lease**"), which Lease was subsequently assigned to Albert Hopkins Enterprises Limited, The Algoma Central and Hudson Bay Railway Company (the "**Railway Company**") leased to Soocana Gold Mines Limited, its successors and assigns certain mining claims and mineral rights (herein called the "**Claims**") more particularly described in Schedule A attached hereto, for a term of ninety-nine (99) years from the 1st day of August 1940, subject to the terms and conditions all as set forth therein;

AND WHEREAS the Railway Company transferred all of its right, title and interest in the Lease to the Lessor;

AND WHEREAS the Assignee has requested the Assignor to sell the residue of the said term of years and to assign to it the Assignee.

NOW THEREFORE this Agreement witnesseth that in consideration of the covenants contained herein and the sum of Two Dollars ($2.00) and other good and valuable consideration paid by the Assignee to the Assignor, the receipt and sufficiency whereof are hereby by it acknowledged, the parties hereto agree as follows:

1. The Assignor as beneficial owner hereby assigns to the Assignee the Assignor's interest in the Claims together with the unexpired residue of the term of the Lease and the Lease and all benefits to be derived therefrom, subject to the payment of the rent and the observance and performance of the covenants, provisos and conditions on the part of the Lessee contained therein.

2. The Assignee covenants with the Lessor to assume all the clean-up obligations outstanding against the Assignor under the *Mining Act* of the Province of Ontario. In this regard, the Assignee represents and warrants that it has the capacity financially to carry out the clean-up obligations which are still outstanding against the Assignor as aforesaid.

3. The Assignor covenants with the Assignee that the Lease is a valid and subsisting lease, that the covenants, provisos and conditions thereof on the part of the Lessee have been duly observed and performed up to the date hereof, save and except for the clean-up obligations as set forth in the immediately preceding paragraph, that the Assignor is entitled to assign the Lease, that subject to the payment of the rent and observance and performance of the covenants, provisos and conditions of the Lease the Assignee may enjoy the claims for the residue of the term of the Lease without interruption by the Assignor or any persons claiming through them, and that the Assignor shall at all times hereafter at the request and cost of the Assignee execute such further assurances in respect of this Assignment as the Assignee may reasonably require.

4. The Lessor hereby consents to this Assignment by the Assignor to the Assignee as above written, and except for this Assignment the covenant in the Lease against assignment and subletting shall remain in full force and effect.

IN WITNESS WHEREOF we have caused these presence to be signed as of the date first mentioned above.

ALBERT HOPKINS ENTERPRISES LIMITED

Per: _____
Authorized Signing Officer

SAGE GOLD INC.

Per: _____
Authorized Signing Officer

CEDAR FALLS FOREST RESOURCES

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer

SAGE GOLD INC.

365 Bay Street
Suite 500
Toronto, Ontario, Canada
M5H 2V1

Telephone: (416) 204-3170
Facsimile: (416) 260-2243

November 18, 2008

99-Year Lease
to July 31, 2039

Sheldon Huxtable Professional Corporation
180 Dundas Street West
Suite 1801
TORONTO, ON
M5G 1Z8

Attention: Mr. D. A. Sheldon

Dear Sirs:

Re: Albert Hopkins Enterprises Ltd.
Assignment of Lease – Corbiere and Esquega Properties

Please find enclosed two fully executed original copies of the Assignment of Lease of the Corbiere and Esquega properties, together with our cheque in the amount of $35,000, being the purchase price of the two properties as per Clause 2.2 of the Purchase Agreement dated February 12, 2008, between Sage Gold Inc. and Albert Hopkins Enterprises Ltd.

We have retained one fully executed original copy of the Assignment of Lease for our files.

Yours truly,

SAGE GOLD INC.

Arthur G. Hampson
Chief Financial Officer

Encls.

THE FACE OF THIS CHECK IS PRINTED BLUE - THE BACK CONTAINS A WATERMARK / CE CHEQUE EST IMPRIMÉ SUR FOND BLEU - L'ENVOS CONTIENT UN FILIGRANE

SAGE GOLD INC.
365 BAY STREET, SUITE 500
TORONTO, ONTARIO M5H 2V1

ROYAL BANK OF CANADA
20 KING STREET W., LOWER LEVEL
TORONTO, ONTARIO M5H 1C4

002782
328

20081118
DATE Y Y Y Y M M D D

PAY $35,000dols00cts

Thirty Five Thousand Dollars Only

$ ***35,000.00*

TO THE ORDER OF
Sheldon Huxtable Professional Corp.
180 Dundas St West
Suite 1801
Toronto, ON M5G 1Z8

PER

PER

⑈002782⑈ ⑆06012⑉003⑆ 107⑉778⑉3⑈

DETACH

SAGE GOLD INC.
365 BAY STREET, SUITE 500
TORONTO, ONTARIO M5H 2V1

PAYEE NAME	CHEQUE DATE	CHEQUE No.	CHEQUE AMOUNT
Sheldon Huxtable Professional Corp.	Nov-18-2008	2782	***35,000.00*

DOCUMENT/INVOICE #	AMOUNT PAID	DOCUMENT DATE
P/A Feb 12 '08	35000.00	2008

ASSIGNMENT OF LEASE

THIS ASSIGNMENT made as of the 18th day of November, 2008

A M O N G:

ALBERT HOPKINS ENTERPRISES LIMITED, a corporation incorporated under the laws of the Province of Ontario

(hereinafter called the "**Assignor**")

OF THE FIRST PART

- and -

SAGE GOLD INC., a corporation incorporated under the laws of the Province of Ontario

(hereinafter called the "**Assignee**")

OF THE SECOND PART

- and -

3011651 NOVA SCOTIA LIMITED, carrying on business as **CEDAR FALLS FOREST RESOURCES**

(hereinafter called the "**Lessor**")

OF THE THIRD PART

WHEREAS by a lease dated the 1st day of August, 1940 (herein called the "**Lease**"), which Lease was subsequently assigned to Albert Hopkins Enterprises Limited, The Algoma Central and Hudson Bay Railway Company (the "**Railway Company**") leased to Soocana Gold Mines Limited, its successors and assigns certain mining claims and mineral rights (herein called the "**Claims**") more particularly described in Schedule A attached hereto, for a term of ninety-nine (99) years from the 1st day of August 1940, subject to the terms and conditions all as set forth therein;

AND WHEREAS the Railway Company transferred all of its right, title and interest in the Lease to the Lessor;

AND WHEREAS the Assignee has requested the Assignor to sell the residue of the said term of years and to assign to it the Assignee.

NOW THEREFORE this Agreement witnesseth that in consideration of the covenants contained herein and the sum of Two Dollars ($2.00) and other good and valuable consideration paid by the Assignee to the Assignor, the receipt and sufficiency whereof are hereby by it acknowledged, the parties hereto agree as follows:

1. The Assignor as beneficial owner hereby assigns to the Assignee the Assignor's interest in the Claims together with the unexpired residue of the term of the Lease and the Lease and all benefits to be derived therefrom, subject to the payment of the rent and the observance and performance of the covenants, provisos and conditions on the part of the Lessee contained therein.

2. The Assignee covenants with the Lessor to assume all the clean-up obligations outstanding against the Assignor under the *Mining Act* of the Province of Ontario. In this regard, the Assignee represents and warrants that it has the capacity financially to carry out the clean-up obligations which are still outstanding against the Assignor as aforesaid.

3. The Assignor covenants with the Assignee that the Lease is a valid and subsisting lease, that the covenants, provisos and conditions thereof on the part of the Lessee have been duly observed and performed up to the date hereof, save and except for the clean-up obligations as set forth in the immediately preceding paragraph, that the Assignor is entitled to assign the Lease, that subject to the payment of the rent and observance and performance of the covenants, provisos and conditions of the Lease the Assignee may enjoy the claims for the residue of the term of the Lease without interruption by the Assignor or any persons claiming through them, and that the Assignor shall at all times hereafter at the request and cost of the Assignee execute such further assurances in respect of this Assignment as the Assignee may reasonably require.

4. The Lessor hereby consents to this Assignment by the Assignor to the Assignee as above written, and except for this Assignment the covenant in the Lease against assignment and subletting shall remain in full force and effect.

IN WITNESS WHEREOF we have caused these presence to be signed as of the date first mentioned above.

ALBERT HOPKINS ENTERPRISES LIMITED

Per: _____
Authorized Signing Officer

SAGE GOLD INC.

Per: _____
Authorized Signing Officer

3011651 NOVA SCOTIA LIMITED, carrying on business as CEDAR FALLS FOREST RESOURCES

Per: _____
Authorized Signing Officer PROPERTY MANAGER

Per: _____
Authorized Signing Officer

SCHEDULE A

Claim Number	Beneficial Owner	Township	Hectares/Acres
AC3041 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Esquega	11.169 hectares
AC3042 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Esquega	17.280 hectares
AC3043 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Esquega	14.528 hectares
AC3044 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Esquega	13.516 hectares
AC3045 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Esquega	16.268 hectares
AC3046 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Esquega	17.037 hectares
AC3075 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Esquega	17.401 hectares
AC3076 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Esquega	17.644 hectares
AC3077 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Esquega	11.453 hectares

136.295 ha.
= 336.78 acres

Claim Number	Beneficial Owner	Township	Hectares/Acres
AC3739 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Corbiere	14.852 hectares
AC3740 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Corbiere	13.678 hectares
AC3741 ACR Lease 52	Albert Hopkins Enterprises Ltd.	Corbiere	12.141 hectares

40.671 ha
= 100.50 acres

JUL 2 0 2008

SHELDON HUXTABLE
PROFESSIONAL CORPORATION

Reply to:
Donald A. Sheldon
Ext. 101
dsheldon@sheldonhuxtable.com

BARRISTERS & SOLICITORS
Suite 1801, 180 Dundas Street West
Toronto, Ontario, Canada M5G 1Z8
Tel: (416) 595-5151 Fax: (416) 595-5959
E-mail: info@sheldonhuxtable.com

Law Clerk:
Sharon Hudson
Ext. 121
shudson@sheldonhuxtable.com

July 28, 2008

Delivered

Sage Gold Inc.
365 Bay Street
Suite 500
Toronto, Ontario
M5H 2V1

Attention: Nigel Lees, President

Dear Sirs:

Re: Albert Hopkins Enterprises Ltd.

Enclosed are three (3) original copies of an Assignment of Lease signed by Albert Hopkins Enterprises Ltd. and 3011651 Nova Scotia Limited (c.o.b. Cedar Falls Forest Resources) with respect to the assignment of the lease of the Corbiere and Esquega Properties to Sage Gold Inc.

If the Assignment of Lease is satisfactory, please sign all three copies, retain one fully signed copy for your records, and return the remaining two fully signed copies to our offices.

We trust the enclosed is satisfactory, and look forward to receiving a cheque in the amount of $35,000 payable to our firm in trust on account of the Part II Purchase Price as set out in the Purchase Agreement dated February 12, 2008.

Yours very truly,

SHELDON HUXTABLE
PROFESSIONAL CORPORATION

D. A. Sheldon

DAS:sjh
Encs.

Schedule 1.1(60) – Owned Intellectual Property

To be provided prior to Closing

Schedule 1.1(63) – Permitted Encumbrances

To be provided prior to Closing

Schedule 1.1(72) – Purchased Deposits

Party	Principal	Accumulated Interest	Total	Comments
Ministry of Northern Developments and Mines	$270,704.41	$40,219.71	$310,924.12	As at March 31, 2018 – deposit with MNDM for Clavos reclamation – should be formally assigned to purchaser with MNDM

Schedule 2.6 – Allocation of Purchase Price

To be provided prior to Closing

Schedule 1.1(81) –Royalty Agreements

1. Jubilee Gold Exploration Limited.
2. Franco Nevada Corporation.
3. St. Andrew Goldfields Ltd. (Kirkland)
4. 1051989 ONTARIO INC.

Appendix “I”

In the Matter of the Receivership of Sage Gold Inc.
Receiver's Statement of Receipts and Disbursements
For the period from August 18, 2018 to January 17, 2019

(Amounts include Cdn $)	From Date To Date	13-Jul-18 17-Aug-18	18-Aug-18 17-Jan-19	Cumulative 17-Jan-19	Note
Opening Balance			**456,595**		
Receipts					
Transfers from the Company's bank accounts		16,292	762	17,054	
HST receivable		42,799	241,569	284,368	**(1)**
Other cash receipts		24,052	10,000	34,052	
Receiver's certificates		549,000	540,000	1,089,000	**(2)**
Bank interest net of charges		335	141	476	
Total receipts		**632,479**	**792,472**	**1,424,951**	
Disbursements					
Clavos mine					
R. Ritchie Services Ltd.		66,079	499,609	565,687	**(3)**
Mine operating expenses		17,333	86,414	103,747	**(4)**
Equipment lease / rental		32,005	132,982	164,987	**(5)**
Hydro and utilities		-	63,919	63,919	
Mine consultants and contractors		-	13,277	13,277	
Insurance		6,183	32,213	38,396	
Other mine expenses		-	9,498	9,498	
Head office					
Head office rent		-	2,572	2,572	
Management payroll		14,257	82,226	96,483	**(6)**
Other expenses		3,083	2,861	5,943	
Receiver's counsel fees		19,926	59,566	79,491	
Net GST/HST		17,019	120,793	137,812	
Total Disbursements		**175,883**	**1,105,930**	**1,281,813**	
Excess of Receipts and Disbursements		**$ 456,595**	**$ 143,137**	**$ 143,137**	**(7)**

Notes

1 HST receivable is related to refunds for pre-receivership period, June and July 2018, and post receivership period.
2 CRH Funding II Pte. Ltd. has provided funding through Receiver's certificates to fund the operation.
3 Payments to R. Ritchie Services Ltd. is in relation to the care and mainatenace.
4 Payments are in relation to the mine consumables, mine services and operational expenses of leased equipment.
5 Payments consist of equipment rental and a significant portion of the rent is related to the tractor and the compressor.
6 Includes salaries and payroll taxes of the two employees during the Interim Receivership and payments to employee/s who were hired by the Receiver as independent contractors in the Receivership.
7 Excess of Receipts and Disbursements represent the cash in the Receiver's bank account.

Confidential Appendix "A"

A SEALING ORDER IS SOUGHT FOR THIS APPENDIX. IT HAS BEEN FILED SEPARATELY WITH THE COURT UNDER SEAL.

Confidential Appendix "B"

A SEALING ORDER IS SOUGHT FOR THIS APPENDIX. IT HAS BEEN FILED SEPARATELY WITH THE COURT UNDER SEAL.

Confidential Appendix "C"

A SEALING ORDER IS SOUGHT FOR THIS APPENDIX. IT HAS BEEN FILED SEPARATELY WITH THE COURT UNDER SEAL.

Tab 3

Court File No. **CV-18-601307-00CL**

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY, THE 29TH
	)	
JUSTICE	)	DAY OF JANUARY, 2019

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

and

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Sage Gold Inc. (the "**Debtor**") for an order, *inter alia* (a) approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Onaman APA**") between the Receiver and RZJ Capital Management LLC or its nominee (the "**Purchaser**") dated January 11, 2019 and appended to the Report of the Receiver dated January 23, 2019 (the "**Third Report**"), (b) vesting in the Purchaser the Debtor's right, title and interest in and to the purchased assets described in the Onaman APA (the "**Purchased Assets**"), and (c) sealing the Onaman APA pending the closing of the Transaction was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report, the Motion Record and Factum of the Receiver, and on hearing the submissions of counsel for the Receiver, the Purchaser and Her Majesty the Queen in right of Ontario, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Lauren Ray sworn January 23, 2019, filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and Factum of the Receiver is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Onaman APA.

APPROVAL AND VESTING OF PURCHASED ASSETS

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Onaman APA by the Receiver is hereby authorized, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and empowered to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Sale Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Onaman APA shall vest absolutely in the Purchaser, free and clear of and from any and all ownership or other claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, pledges, trusts, constructive trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Dunphy dated July 30, 2018 (as amended), the Order or the Honourable Justice Dunphy, dated December 21, 2018, and the Order of the Honourable Justice Hainey dated July 13, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (iii) any charges, security interests or claims evidenced by registrations pursuant to the *Land Titles Act* (Ontario), the *Registry Act* (Ontario), the *Land Registration Reform Act* (Ontario) or the *Mining Act* (Ontario) or any other real property or real property related registry or recording system; (iv) any ownership or third party right, title, or interest that might arise or

exists as a result of the contravention of Section 44(1) of the *Land Titles Act* (Ontario) or the *Forfeited Property Act* (Ontario) or any predecessor of any such statutes; and (v) those Claims listed on Schedule "C" hereto (all of which Claims pursuant to this Paragraph 4 are collectively referred to as the "**Encumbrances**", which term, notwithstanding the foregoing in this Paragraph 4, shall not include the Permitted Encumbrances) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon,

(a) the registration in the applicable Land Registry Office of a Document General attaching a copy of this Order in the form prescribed by the *Land Registration Reform Act* or an Application for Vesting Order in the form prescribed by the *Land Registration Reform Act* and/or *the Land Titles Act* and/or the *Registry Act* or any regulation related to these statutes as applicable, or,

(b) presentation of a copy of this Order, and the Receiver's Sale Certificate, to the applicable Land Registry Office, or with respect to any unpatented mining claims, to the Provincial Recording Office,

the Land Registrar is hereby directed to enter the Purchaser as the owner of the Patented Mining Claims and lessee of the Mining Leases identified in Schedule "B" hereto (the "**Property Interest**") in fee simple or leasehold, as applicable, and the Provincial Mining Recorder is, on confirmation from the Purchaser of its registration within the Mining Lands Administration System, directed to enter the Purchaser as the claim holder of the Unpatented Mining Claims identified in Schedule "B" hereto in the mining claims registry. Further, the Land Registrar and Provincial Mining Recorder are hereby directed to delete and expunge from title or from the unpatented mining claim abstracts, as the case may be, to or in respect of the Property Interest, all of the Claims listed in Schedule "C" hereto.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Sale Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets

with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Sale Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

9. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

SEALING

10. **THIS COURT ORDERS** that the non-redacted version of the Onaman APA included as Confidential Appendix "A" to the Third Report provided to the Court by the Receiver shall remain sealed and shall not form part of the public record in this proceeding until the closing of the Transaction, or by further Order of the Court.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or in any other jurisdiction, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

_____

Schedule A – Form of Receiver's Certificate

Court File No. **CV-18-601307-00CL**

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

and

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Dunphy of the Ontario Superior Court of Justice (the "**Court**") dated July 30, 2019, Deloitte Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Sage Gold Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated January 29, 2019, the Court approved the asset purchase agreement made as of January 11, 2019 (the "**Onaman APA**") between the Receiver and RZJ Capital Management LLC or its nominee (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 5 of the Onaman APA have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Onaman APA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Onaman APA;

2. The conditions to Closing as set out in section 5 of the Onaman APA have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

Deloitte Restructuring Inc., in its capacity as Receiver of the undertaking, property and assets of Sage Gold Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Property Interests

[To be updated]

Schedule C – Claims to be deleted and expunged from title to Real Property

1. **Registrations on the Property Interests**

   [To be updated]

2. **PPSA Registrations**

PPSA File No.	Registration No.	Secured Party
640042668	20071019 1949 1531 6168	ROYAL BANK OF CANADA
722707722	20161122 1337 9234 0460	CRH FUNDING II PTE. LTD.
735691752	20180116 1043 18624158	XYLEM CANADA COMPANY
741504834	20180711 1551 1902 2751	OK MINING & COMMERCIAL SERVICES
741504978	20180711 1552 1902 2752	OK MINING & COMMERCIAL SERVICES
741598632	20180713 1625 1590 4575	2474397 ONTARIO INC. O/A OK TIRE MINING AND COMMERCIAL SERVICES
741598641	20180713 1626 1590 4576	2474397 ONTARIO INC. O/A OK TIRE MINING AND COMMERCIAL SERVICES
741598659	20180713 1626 1590 4577	2474397 ONTARIO INC. O/A OK TIRE MINING AND COMMERCIAL SERVICES

Court File No. ——CV-18-601307-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE ——	)	WEEKDAYTUESDAY, THE #29TH
	)	
JUSTICE ——	)	DAY OF MONTHJANUARY, 20YR2019

B E T W E E N:

PLAINTIFF

Plaintiff

and

DEFENDANT

Defendant

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

and

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

APPROVAL AND VESTING ORDER

THIS MOTION, made by [RECEIVER'S NAME]Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of [DEBTOR]Sage Gold Inc. (the "**Debtor**") for an order, *inter alia* (a) approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement of purchase and sale (the "Sale AgreementOnaman APA") between the Receiver and [NAME OF

PURCHASER]RZJ Capital Management LLC or its nominee (the "**Purchaser**") dated [DATE]January 11, 2019 and appended to the Report of the Receiver dated [DATE]January 23, 2019 (the "**Third Report**"), and(b) vesting in the Purchaser the Debtor's right, title and interest in and to the purchased assets described in the Sale AgreementOnaman APA (the "**Purchased Assets**"), and (c) sealing the Onaman APA pending the closing of the Transaction was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report, the Motion Record and Factum of the Receiver, and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING]the Purchaser and Her Majesty the Queen in right of Ontario, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME]Lauren Ray sworn [DATE]January 23, 2019, filed[1]:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and Factum of the Receiver is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Onaman APA.

APPROVAL AND VESTING OF PURCHASED ASSETS

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,[2] and the execution of the Sale AgreementOnaman APA by the Receiver[3] is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directedempowered to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

[1] This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

[2] In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

[3] In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

4. 2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Sale Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement [and listed on Schedule B hereto][4]Onaman APA shall vest absolutely in the Purchaser, free and clear of and from any and all ownership or other claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, pledges, trusts, constructive trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"[5]) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice [NAME] dated [DATE]Dunphy dated July 30, 2018 (as amended), the Order or the Honourable Justice Dunphy, dated December 21, 2018, and the Order of the Honourable Justice Hainey dated July 13, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) any charges, security interests or claims evidenced by registrations pursuant to the *Land Titles Act* (Ontario), the *Registry Act* (Ontario), the *Land Registration Reform Act* (Ontario) or the *Mining Act* (Ontario) or any other real property or real property related registry or recording system; (iv) any ownership or third party right, title, or interest that might arise or exists as a result of the contravention of Section 44(1) of the *Land Titles Act* (Ontario) or the *Forfeited Property Act* (Ontario) or any predecessor of any such statutes; and (v) those Claims listed on Schedule "C" hereto (all of which Claims pursuant to this Paragraph 4 are collectively referred to as the "**Encumbrances**", which term, notwithstanding the foregoing in this Paragraph 4, shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule DPermitted Encumbrances) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

[4] To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

[5] The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

5. 3. **THIS COURT ORDERS** that upon,

(a) the registration in the applicable Land Registry Office for the [Registry Division of {LOCATION} of a Transfer/Deed of Landof a Document General attaching a copy of this Order in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][Land Titles Division of {LOCATION} ofor an Application for Vesting Order in the form prescribed by the *Land Registration Reform Act* and/or *the Land Titles Act* and/or the *Land Registration Reform Act*][6], *Registry Act* or any regulation related to these statutes as applicable, or,

(b) presentation of a copy of this Order, and the Receiver's Sale Certificate, to the applicable Land Registry Office, or with respect to any unpatented mining claims, to the Provincial Recording Office,

the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real propertyPatented Mining Claims and lessee of the Mining Leases identified in Schedule "B" hereto (the "Real **Property Interest**") in fee simple, and is or leasehold, as applicable, and the Provincial Mining Recorder is, on confirmation from the Purchaser of its registration within the Mining Lands Administration System, directed to enter the Purchaser as the claim holder of the Unpatented Mining Claims identified in Schedule "B" hereto in the mining claims registry. Further, the Land Registrar and Provincial Mining Recorder are hereby directed to delete and expunge from title to the Realor from the unpatented mining claim abstracts, as the case may be, to or in respect of the Property Interest, all of the Claims listed in Schedule "C" hereto.

6. 4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds[7] from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Sale Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets

[6] Elect the language appropriate to the land registry system (Registry vs. Land Titles).

[7] The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

immediately prior to the sale[8], as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. 5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Sale Certificate, forthwith after delivery thereof.

8. 6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

9. 7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or

[8] This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

SEALING

10. 8. **THIS COURT ORDERS** AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario)that the non-redacted version of the Onaman APA included as Confidential Appendix "A" to the Third Report provided to the Court by the Receiver shall remain sealed and shall not form part of the public record in this proceeding until the closing of the Transaction, or by further Order of the Court.

11. 9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or in any other jurisdiction, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver's Certificate

Court File No. CV-18-601307-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

PLAINTIFF

Plaintiff

and

DEFENDANT

Defendant

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

and

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable [NAME OF JUDGE]Justice Dunphy of the Ontario Superior Court of Justice (the "**Court**") dated [DATE OF ORDER], [NAME OF RECEIVER]July 30, 2019, Deloitte Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of [DEBTOR]Sage Gold Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated [DATE],January 29, 2019, the Court approved the asset purchase agreement of purchase and sale made as of [DATE OF

AGREEMENT]January 11, 2019 (the "Sale Agreement**Onaman APA**") between the Receiver [Debtor] and [NAME OF PURCHASER]and RZJ Capital Management LLC or its nominee (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section ●5 of the Sale AgreementOnaman APA have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale AgreementOnaman APA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale AgreementOnaman APA;

2. The conditions to Closing as set out in section ●5 of the Sale AgreementOnaman APA have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

[NAME OF RECEIVER]Deloitte Restructuring Inc., in its capacity as Receiver of the undertaking, property and assets of [DEBTOR]Sage Gold Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Purchased AssetsProperty Interests

[To be updated]

Schedule C – Claims to be deleted and expunged from title to Real Property

1. ~~Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property~~ Registrations on the Property Interests

~~(unaffected by the Vesting Order)~~

[To be updated]

2. PPSA Registrations

PPSA File No.	Registration No.	Secured Party
640042668	20071019 1949 1531 6168	ROYAL BANK OF CANADA
722707722	20161122 1337 9234 0460	CRH FUNDING II PTE. LTD.
735691752	20180116 1043 18624158	XYLEM CANADA COMPANY
741504834	20180711 1551 1902 2751	OK MINING & COMMERCIAL SERVICES
741504978	20180711 1552 1902 2752	OK MINING & COMMERCIAL SERVICES
741598632	20180713 1625 1590 4575	2474397 ONTARIO INC. O/A OK TIRE MINING AND COMMERCIAL SERVICES
741598641	20180713 1626 1590 4576	2474397 ONTARIO INC. O/A OK TIRE MINING AND COMMERCIAL SERVICES
741598659	20180713 1626 1590 4577	2474397 ONTARIO INC. O/A OK TIRE MINING AND COMMERCIAL SERVICES

Document comparison by Workshare Compare on Wednesday, January 23, 2019 12:32:50 PM

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Description	#30475487v7<LEGAL> - Approval and Vesting Order - Onaman Project - DRAFT - January 22, 2019
Rendering set	standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
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Deletions	102
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	240

Tab 4

Court File No. **CV-18-601307-00CL**

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY, THE 29TH
	)	
JUSTICE	)	DAY OF JANUARY, 2019

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

and

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Sage Gold Inc. (the "**Debtor**") for an order, *inter alia* (a) approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Clavos APA**") between the Receiver and Mr. Eric Quint on behalf of a corporation to be incorporated under the laws of Ontario (the "**Purchaser**") dated January 14, 2019 and appended to the Report of the Receiver dated January 23, 2019 (the "**Third Report**"), (b) vesting in the Purchaser the Debtor's right, title and interest in and to the purchased assets described in the Clavos APA (the "**Purchased Assets**"), and (c) sealing the Clavos APA pending the closing of the Transaction was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report, the Motion Record and Factum of the Receiver, and on hearing the submissions of counsel for the Receiver, the Purchaser and Her Majesty the Queen in

right of Ontario, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Lauren Ray sworn January 23, 2019, filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and Factum of the Receiver is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Clavos APA.

APPROVAL AND VESTING OF PURCHASED ASSETS

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Clavos APA by the Receiver is hereby authorized, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and empowered to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Sale Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Clavos APA, including the Assigned Contracts, shall vest absolutely in the Purchaser, free and clear of and from any and all ownership claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, pledges, trusts, constructive trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Dunphy dated July 30, 2018 (as amended), the Order or the Honourable Justice Dunphy, dated December 21, 2018, and the Order of the Honourable Justice Hainey dated July 13, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (iii) any charges, security interests or claims evidenced by

registrations pursuant to the *Land Titles Act* (Ontario), the *Registry Act* (Ontario), the *Land Registration Reform Act* (Ontario) or the *Mining Act* (Ontario) or any other real property or real property related registry or recording system; (iv) any ownership or third party right, title, or interest that might arise or exists as a result of the contravention of Section 44(1) of the *Land Titles Act* (Ontario) or the *Forfeited Property Act* (Ontario) or any predecessor of any such statutes; and (v) those Claims listed on Schedule C hereto (all of which Claims pursuant to this Paragraph 4 are collectively referred to as the "**Encumbrances**", which term, notwithstanding the foregoing in this Paragraph 4, shall not include the Permitted Encumbrances) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS AND DECLARES** that the Receiver shall be deemed not to have taken possession of the Purchased Assets and shall bear no responsibility to secure, maintain or monitor the Purchased Assets, or any of it, by reason of the Receiver's participation in the Transaction or the execution of its duties as Receiver.

6. **THIS COURT ORDERS** that upon,

(a) the registration in the applicable Land Registry Office of a Document General attaching a copy of this Order in the form prescribed by the Land Registration Reform Act or an Application for Vesting Order in the form prescribed by the Land Registration Reform Act and/or the Land Titles Act and/or the Registry Act and/or the Mining Act or any regulation related to these statutes as applicable, or,

(b) upon presentation of a copy of this Order, and the Receiver's Sale Certificate, to the applicable Land Registry Office, or with respect to any unpatented mining claims, to the Provincial Recording Office,

the Land Registrar is hereby directed to enter the Purchaser as the owner of the Patented Mining Claims and lessee of the Mining Leases identified in Schedule B hereto (the "**Property Interests**") in fee simple or leasehold, as applicable, and the Provincial Mining Recorder is, on confirmation from the Purchaser of its registration within the Mining Lands Administration System, directed to enter the Purchaser as the claim holder of the Unpatented Mining Claims identified in Schedule B hereto in the mining claims registry. Further, the Land Registrar and Provincial Mining Recorder are hereby directed to delete and expunge from title or from the unpatented mining claim abstracts, as the case may be, to or in respect of the Property Interests, all of the Claims listed in Schedule "C" hereto.

7. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Sale Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Sale Certificate, forthwith after delivery thereof.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

10. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable

transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. THIS COURT ORDERS that, subject to the rights of the Purchaser to amend the schedule of assigned contracts under the APA, upon delivery of the Receiver's Sale Certificate, all of the rights and obligations of the Debtor under the agreements set out in Schedule "D" hereto, including all associated or related agreements, schedules, appendices, addendum, amendments, supplements, restatements or other modifications, (each an "**Assigned Contract**" and collectively, the "**Assigned Contracts**") shall be assigned to the Purchaser.

12. THIS COURT ORDERS that the assignment to the Purchaser of the rights and obligations of the Debtor under the Assigned Contracts, pursuant to this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned Contract relating to the assignment thereof, including, without limitation, any provision requiring the consent of any party to the assignment.

13. THIS COURT ORDERS that each counterparty to an Assigned Contract is prohibited from exercising any right or remedy as against the Purchaser by reason of any defaults thereunder arising from the assignment of the Assigned Contracts.

14. THIS COURT ORDERS that the Cure Costs of the contracts listed in Schedule "D" hereto shall be in amounts set out in Schedule "D" hereto and that upon Closing, the Purchaser shall pay the Cure Costs as set out therein with respect to each applicable Assigned Contract, in full and final satisfaction of any Cure Costs owing to the counterparty to the applicable Assigned Contract, by no later than the day that is five (5) business days following delivery of the Receiver's Sale Certificate.

15. THE COURT DIRECTS the Receiver to send a copy of this Order to all of the counterparties to the Assigned Contracts listed in Schedule "D".

SEALING

16. **THIS COURT ORDERS** that the non-redacted version of the Clavos APA included as Confidential Appendix "B" the Third Report provided to the Court by the Receiver shall remain

sealed and shall not form part of the public record in this proceeding until the closing of the Transaction, or by further Order of the Court.

17. **THIS COURT ORDERS** that the summary of bids received by the Receiver included as Confidential Appendix "C" to the Third Report provided to the Court by the Receiver shall remain sealed and shall not form part of the public record in this proceeding unless by further Order of the Court.

18. **THIS COURT ORDERS** that the Second Report of the Receiver to the Court, dated December 12, 2018 as well as the supplements thereto dated December 20, 2018 and January 8, 2019, respectively, and the Third Report and the activities of the Receiver and its legal counsel set out therein, and the Receiver's Receipts and Disbursements set out therein, are hereby approved.

19. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or in any other jurisdiction, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

_____

Schedule A – Form of Receiver's Certificate

Court File No. **CV-18-601307-00CL**

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

and

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Dunphy of the Ontario Superior Court of Justice (the "**Court**") dated July 30, 2019, Deloitte Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Sage Gold Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated January 29, 2019, the Court approved the asset purchase agreement made as of January 11, 2019 (the " **Clavos APA**") between the Receiver and Eric Quint on behalf of a corporation to be incorporated under the laws of Ontario (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 5 of the Clavos APA have been satisfied or waived by

the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Clavos APA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Clavos APA;

2. The conditions to Closing as set out in section 5 of the Clavos APA have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

Deloitte Restructuring Inc., in its capacity as Receiver of the undertaking, property and assets of Sage Gold Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Property Interests

[To be completed]

Schedule C – Claims to be deleted and expunged from title to Real Property

[To be completed]

Schedule D – Assigned Contracts

Contract Name	Parties	Agreement date	Cure Costs
CUSTOM MILLING AGREEMENT	McEwen Milling McEwen Mining Inc.	17-Nov-16	$0
HAUL ROAD LEASING	André and Jeanne Charlebois	12-Oct-17	$15,000
121352 Canada Inc. o/a Technosub	121352 Canada Inc. o/a Technosub	1-Aug-18	$0

Revised: January 21, 2014

Court File No. ——CV-18-601307-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE ——	)	WEEKDAYTUESDAY, THE #29TH
	)	
JUSTICE ——	)	DAY OF MONTHJANUARY, 20YR2019

B E T W E E N:

PLAINTIFF

Plaintiff

and

DEFENDANT

Defendant

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

and

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

APPROVAL AND VESTING ORDER

THIS MOTION, made by [RECEIVER'S NAME]Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of [DEBTOR]Sage Gold Inc. (the "**Debtor**") for an order, *inter alia* (a) approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement of purchase and sale (the "Sale Agreement**Clavos APA**") between the Receiver and [NAME OF

PURCHASER]Mr. Eric Quint on behalf of a corporation to be incorporated under the laws of Ontario (the "**Purchaser**") dated [DATE]January 14, 2019 and appended to the Report of the Receiver dated [DATE]January 23, 2019 (the "**Third Report**"), and(b) vesting in the Purchaser the Debtor's right, title and interest in and to the purchased assets described in the Sale AgreementClavos APA (the "**Purchased Assets**"), and (c) sealing the Clavos APA pending the closing of the Transaction was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report, the Motion Record and Factum of the Receiver, and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING]the Purchaser and Her Majesty the Queen in right of Ontario, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME]Lauren Ray sworn [DATE]January 23, 2019, filed[1]:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and Factum of the Receiver is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Clavos APA.

APPROVAL AND VESTING OF PURCHASED ASSETS

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,[2] and the execution of the Sale AgreementClavos APA by the Receiver[3] is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directedempowered to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

[1] This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

[2] In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

[3] In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

4. 2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Sale Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement [and listed on Schedule B hereto][4]Clavos APA, including the Assigned Contracts, shall vest absolutely in the Purchaser, free and clear of and from any and all ownership claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, pledges, trusts, constructive trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"[5]) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice [NAME] dated [DATE]Dunphy dated July 30, 2018 (as amended), the Order or the Honourable Justice Dunphy, dated December 21, 2018, and the Order of the Honourable Justice Hainey dated July 13, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) any charges, security interests or claims evidenced by registrations pursuant to the *Land Titles Act* (Ontario), the *Registry Act* (Ontario), the *Land Registration Reform Act* (Ontario) or the *Mining Act* (Ontario) or any other real property or real property related registry or recording system; (iv) any ownership or third party right, title, or interest that might arise or exists as a result of the contravention of Section 44(1) of the *Land Titles Act* (Ontario) or the *Forfeited Property Act* (Ontario) or any predecessor of any such statutes; and (v) those Claims listed on Schedule C hereto (all of which Claims pursuant to this Paragraph 4 are collectively referred to as the "**Encumbrances**", which term, notwithstanding the foregoing in this Paragraph 4, shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule DPermitted Encumbrances) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

[4] To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

[5] The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

5. 3. **THIS COURT ORDERS AND DECLARES** that the Receiver shall be deemed not to have taken possession of the Purchased Assets and shall bear no responsibility to secure, maintain or monitor the Purchased Assets, or any of it, by reason of the Receiver's participation in the Transaction or the execution of its duties as Receiver.

6. **THIS COURT ORDERS** that upon,

(a) the registration in the applicable Land Registry Office for the [Registry Division of {LOCATION} of a Transfer/Deed of Landof a Document General attaching a copy of this Order in the form prescribed by the Land Registration Reform Act duly executed by the Receiver][Land Titles Division of {LOCATION} ofor an Application for Vesting Order in the form prescribed by the Land *Titles Act* and/or the *Land Registration Reform Act*][6], Registration Reform Act and/or the Land Titles Act and/or the Registry Act and/or the Mining Act or any regulation related to these statutes as applicable, or,

(b) upon presentation of a copy of this Order, and the Receiver's Sale Certificate, to the applicable Land Registry Office, or with respect to any unpatented mining claims, to the Provincial Recording Office,

the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real propertyPatented Mining Claims and lessee of the Mining Leases identified in Schedule B hereto (the "Real **Property Interests**") in fee simple, and is or leasehold, as applicable, and the Provincial Mining Recorder is, on confirmation from the Purchaser of its registration within the Mining Lands Administration System, directed to enter the Purchaser as the claim holder of the Unpatented Mining Claims identified in Schedule B hereto in the mining claims registry. Further, the Land Registrar and Provincial Mining Recorder are hereby directed to delete and expunge from title to the Realor from the unpatented mining claim abstracts, as the case may be, to or in respect of the Property Interests, all of the Claims listed in Schedule "C" hereto.

7. 4. THIS COURT ORDERS**THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds[7] from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Sale Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to

[6] Elect the language appropriate to the land registry system (Registry vs. Land Titles).

[7] The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

the Purchased Assets immediately prior to the sale[8], as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. 5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Sale Certificate, forthwith after delivery thereof.

9. 6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

10. 7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or

[8] This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. 8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario). that, subject to the rights of the Purchaser to amend the schedule of assigned contracts under the APA, upon delivery of the Receiver's Sale Certificate, all of the rights and obligations of the Debtor under the agreements set out in Schedule "D" hereto, including all associated or related agreements, schedules, appendices, addendum, amendments, supplements, restatements or other modifications, (each an "**Assigned Contract**" and collectively, the "**Assigned Contracts**") shall be assigned to the Purchaser.

12. THIS COURT ORDERS that the assignment to the Purchaser of the rights and obligations of the Debtor under the Assigned Contracts, pursuant to this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned Contract relating to the assignment thereof, including, without limitation, any provision requiring the consent of any party to the assignment.

13. THIS COURT ORDERS that each counterparty to an Assigned Contract is prohibited from exercising any right or remedy as against the Purchaser by reason of any defaults thereunder arising from the assignment of the Assigned Contracts.

14. THIS COURT ORDERS that the Cure Costs of the contracts listed in Schedule "D" hereto shall be in amounts set out in Schedule "D" hereto and that upon Closing, the Purchaser shall pay the Cure Costs as set out therein with respect to each applicable Assigned Contract, in full and final satisfaction of any Cure Costs owing to the counterparty to the applicable Assigned Contract, by no later than the day that is five (5) business days following delivery of the Receiver's Sale Certificate.

15. THE COURT DIRECTS the Receiver to send a copy of this Order to all of the counterparties to the Assigned Contracts listed in Schedule "D".

SEALING

16. **THIS COURT ORDERS** that the non-redacted version of the Clavos APA included as Confidential Appendix "B" the Third Report provided to the Court by the Receiver shall remain

sealed and shall not form part of the public record in this proceeding until the closing of the Transaction, or by further Order of the Court.

17. **THIS COURT ORDERS** that the summary of bids received by the Receiver included as Confidential Appendix "C" to the Third Report provided to the Court by the Receiver shall remain sealed and shall not form part of the public record in this proceeding unless by further Order of the Court.

18. **THIS COURT ORDERS** that the Second Report of the Receiver to the Court, dated December 12, 2018 as well as the supplements thereto dated December 20, 2018 and January 8, 2019, respectively, and the Third Report and the activities of the Receiver and its legal counsel set out therein, and the Receiver's Receipts and Disbursements set out therein, are hereby approved.

19. ~~9.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or in any other jurisdiction, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver's Certificate

Court File No. CV-18-601307-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

PLAINTIFF

Plaintiff

and

DEFENDANT

Defendant

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

and

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable [NAME OF JUDGE]Justice Dunphy of the Ontario Superior Court of Justice (the "**Court**") dated [DATE OF ORDER], [NAME OF RECEIVER]July 30, 2019, Deloitte Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of [DEBTOR]Sage Gold Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated [DATE],January 29, 2019, the Court approved the asset purchase agreement of purchase and sale made as of [DATE OF

AGREEMENT]January 11, 2019 (the "Sale Agreement **Clavos APA**") between the Receiver [Debtor] and [NAME OF PURCHASER]and Eric Quint on behalf of a corporation to be incorporated under the laws of Ontario (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section ●5 of the Sale AgreementClavos APA have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale AgreementClavos APA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale AgreementClavos APA;

2. The conditions to Closing as set out in section ●5 of the Sale AgreementClavos APA have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

[NAME OF RECEIVER]Deloitte Restructuring Inc., in its capacity as Receiver of the undertaking, property and assets of [DEBTOR]Sage Gold Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Purchased AssetsProperty Interests

[To be completed]

Schedule C – Claims to be deleted and expunged from title to Real Property

[To be completed]

Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property

(unaffected by the Vesting Order)

Schedule D – Assigned Contracts

Contract Name	Parties	Agreement date	Cure Costs
CUSTOM MILLING AGREEMENT	McEwen Milling McEwen Mining Inc.	17-Nov-16	$0
HAUL ROAD LEASING	André and Jeanne Charlebois	12-Oct-17	$15,000
121352 Canada Inc. o/a Technosub	121352 Canada Inc. o/a Technosub	1-Aug-18	$0

Document comparison by Workshare Compare on Wednesday, January 23, 2019 12:34:38 PM

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Description	#30490759v4<LEGAL> - Sage Gold - draft approval and vesting order (Clavos) - DRAFT -Jan 22, 2019
Rendering set	standard

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Moved cell	
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Padding cell	

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Moved to	0
Style change	0
Format changed	0
Total changes	240

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.
and
IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

Court File No. CV-18-601307-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD
(January 29, 2019)

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