

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

THIRD EYE CAPITAL CORPORATION

Applicant

and

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

Respondent

**APPLICATION UNDER SECTION 243 OF THE *BANKRUPTCY AND  
INSOLVENCY ACT* AND SECTION 101 OF THE *COURTS OF JUSTICE  
ACT***

**MOTION RECORD OF THE APPLICANT,  
THIRD EYE CAPITAL CORPORATION**

August 11, 2016

**LENCZNER SLAGHT ROYCE  
SMITH GRIFFIN LLP**

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Lawyers for the Applicant

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Tab 1

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**AFFIDAVIT OF REBECCA GIRI  
(SWORN AUGUST 10, 2016)**

I, Rebecca Giri, of the City of Toronto, in the Province of Ontario, a legal assistant, MAKE  
OATH AND SAY:

1. I am a legal assistant with the law firm of Lenczner Slaght LLP, lawyers for the Applicant, Third Eye Capital Corporation (“Third Eye”). As such, I have knowledge of the matters contained in this affidavit.

2. By letter dated April 15, 2016, Third Eye, through its counsel Shara Roy (“Ms. Roy”), made an offer to purchase the interest Essar Steel Algoma Inc. (“Essar”) had in the lands (the “Patented Lands”) related to the receivership of Dianor Resources Inc. Attached hereto as

**Exhibit “A”** to my affidavit is a copy of the offer letter executed by Essar’s duly authorized agent, Clifton Prophet, on April 20, 2016.

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3. By letter dated May 12, 2016, Third Eye, through its counsel Ms. Roy, made an offer to Rod Johansen, lawyer for John Joseph Leadbetter and Paulette Mousseau-Leadbetter and certain corporate entities controlled or beneficially-owned by them (collectively, the “Leadbetters”) for the surface and mining rights in respect of the Patented Lands. Attached hereto as **Exhibit “B”** to my affidavit is a copy of this letter.

4. I am advised by Arif N. Bhalwani and believe that on May 24, 2016, Third Eye received a counter-offer from the Leadbetters directly. Attached hereto as **Exhibit “C”** to my affidavit is a copy of the Leadbetter counter-offer.

5. Attached hereto as **Exhibit “D”** to my affidavit is a copy of the Leadbetter Property Option Agreement [Crown Land] between Dianor Resources Inc., 3814793 Canada Inc. and Paulette A. Mousseau-Leadbetter dated August 25, 2008 (the “Crown Land Agreement”). Prior agreements respecting the same property are attached as Schedule 1 and Schedule 2 to the Crown Land Agreement.

6. Attached hereto as **Exhibit “E”** to my affidavit is a copy of the Leadbetter Property Option Agreement [Patented Land] between Dianor Resources Inc., 3814793 Canada Inc. and Paulette A. Mousseau-Leadbetter dated August 25, 2008 (the “Patented Land Agreement”). Prior agreements respecting the same property are attached as Schedule 1 and Schedule 2 to the Patented Land Agreement.

7. Attached hereto as **Exhibit “F”** to my affidavit is a copy of an Agreement of Purchase and Sale between Dianor Resources Inc., 3814793 Canada Inc. and Paulette A. Mousseau-Leadbettters dated November 27, 2008 (the “Surface Rights Agreement”). Section 2 of the Surface Rights Agreement states:

On the Closing Date, the Purchaser will grant the Vendor a first ranking mortgage in the principal amount not to exceed FIVE MILLION DOLLARS (\$5,000,000.00) in the form attached hereto as Schedules “B” and “B.1” which will provide security against the balance of the Purchase Price and other obligations under the hereinafter defined Suspension and Termination Agreement.

(the “Vendor Take-Back Mortgage”).

8. Attached hereto as **Exhibit “G”** to my affidavit is a copy of Charge/Mortgage registered December 2, 2008 as AL47217.

9. Attached hereto as **Exhibit “H”** to my affidavit is a copy of a demand letter dated January 19, 2012 from Carell+Partners LLP on behalf of 1778778 Ontario Inc. to Dianor Resources Inc.

10. Attached hereto as **Exhibit “I”** to my affidavit is a copy of a Notice of Sale Under Charge/Mortgage dated October 3, 2012.

11. Attached hereto as **Exhibit “J”** to my affidavit is a copy of a Notice of Transfer: Power of Sale registered on December 19, 2012 as AL112565. The transferor is listed as 1778778 Ontario Inc., 1 Gold Street, Wawa Ontario, P0S 1K0. The transferee is listed at 2350614 Ontario Inc., 1 Gold Street, Wawa Ontario, P0S 1K0.

12. Attached hereto as **Exhibit “K”** to my affidavit is a copy of a corporate search for 2350614 Ontario Inc., dated June 27, 2016.



13. Attached hereto as **Exhibit "L"** to my affidavit is a copy of a corporate search for 1778778 Ontario Inc., dated June 27, 2016.

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14. Attached hereto as **Exhibit "M"** to my affidavit is a copy of an Order of the Court in this proceeding dated October 7, 2015.

15. I swear this affidavit in support of the motion of Richter Advisory Group Inc. and for no improper purpose.

**SWORN BEFORE ME** at the City of  
Toronto, in the Province of Ontario on August  
10, 2016



Commissioner for Taking Affidavits  
(or as may be)

Shaw N. Ky



**REBECCA GIRI**

Tab A

This is **Exhibit "A"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a smaller, more complex flourish.

---

A COMMISSIONER FOR TAKING AFFIDAVITS

Shaad N. By



130 Adelaide St W  
Suite 2600  
Toronto, ON  
Canada M5H 3P5

T 416-865-9500  
F 416-865-9010

6

April 15, 2016

VIA EMAIL - [clifton.prophet@gowlingwlg.com](mailto:clifton.prophet@gowlingwlg.com)

Shara N. Roy  
Direct line: 416-865-2942  
Direct fax: 416-865-3973  
Email: [sroy@litigate.com](mailto:sroy@litigate.com)

Cliff Prophet  
Gowling WLG  
1 First Canadian Place  
100 King Street West, Suite 1600  
Toronto, Ontario M5X 1G5

Dear Mr. Prophet:

**RE: Third Eye Capital Corporation and Dianor Resources Inc.  
Court File No. CV-15-11080-00CL**

I write to confirm our agreement on behalf of Third Eye Capital Corporation ("Third Eye Capital") in connection with the Receivership of Dianor Resources Inc. ("Dianor"):

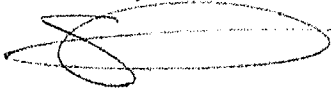
1. Third Eye Capital agrees to pay Essar Steel Algoma Inc. ("Essar") the amount of \$150,000 in full and final settlement of any and all interest Essar may have in the properties which are the subject of the Receivership, including the 10% royalty in respect of the following patented mining claims situated in Chabanel Township in the District of Algoma:  
  
SSM 17358, SSM 17359, SSM 17360, SSM 21168, SSM 17334, SSM 17335, SSM 17362, SSM 17361, SSM 17337, SSM 17341, SSM 17342, SSM 17343, SSM 17340, SSM 17339, SSM 17338, SSM 18637, SSM 23011, SSM 18638, SSM 23012, SSM 18639, SSM 18640, SSM 18641, SSM 18642, SSM 18644, SSM 18645, SSM 23544, SSM 23543, SSM 21166, SSM 21167, SSM 22722, SSM 22721, SSM 18643, SSM 22718, SSM 22874, SSM 13687, SSM 22719, SSM 13686, SSM 22945, SSM 13683, SSM 22946, SSM 22714, SSM 17336, SSM 17650, SSM 17333, SSM 17363, SSM 21169, SSM 22726, SSM 15445 AND SSM 21171. *cl*
2. A form of settlement agreement will be agreed upon, in a form satisfactory to counsel to Third Eye Capital and the Monitor; and
3. In your capacity as counsel to the Monitor of Essar, you agree to file written materials in support of the sale of Dianor's mining assets to Third Eye Capital and in those materials state that the \$150,000 payable to Essar is fair compensation for Essar's royalty interests, in the analysis of the Monitor, and to attend and make similar submissions in person.

Cliff Prophet  
April 15, 2016  
Page 2

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Please confirm our agreement by signing back this letter below.

Yours truly,



Shara N. Roy

SNR/rg

cc: Peter Osborne, Lenczner Slaght LLP

**ACKNOWLEDGED AND  
AGREED**

this 21 day of April, 2016.

**THIRD EYE CAPITAL**

By: 

Name: **ARIF N. BHALWANI**  
Title: **MANAGING DIRECTOR**

**ACKNOWLEDGED AND  
AGREED**

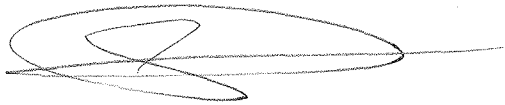
this 20<sup>th</sup> day of April, 2016.

**ESSAR STEEL ALGOMA INC.**

By: <sup>authorized</sup> its agent Gowling W/G (Canada) LLP  
Name:  
Title: per C. Prophet

# Tab B

This is **Exhibit "B"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.



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A COMMISSIONER FOR TAKING AFFIDAVITS

Sharon N. By



130 Adelaide St W T 416-865-9500  
Suite 2600 F 416-865-9010  
Toronto, ON  
Canada M5H 3P5

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May 12, 2016

VIA EMAIL

Shara N. Roy  
Direct line: 416-865-2942  
Direct fax: 416-865-3973  
Email: sroy@litigate.com

WITH PREJUDICE

Rod Johansen  
Johansen Law Firm  
981 Balmoral St, Suite 102  
Thunder Bay ON P7B 0A6

Dear Mr. Johansen:

**RE: Chabanel Township Properties/Receivership of Dianor Resources Inc.**

We represent Third Eye Capital in respect of its offer to purchase certain assets of Dianor Resources Inc. which, as you are aware, is in receivership.

We understand that your clients John Joseph Leadbetter and/or Paulette A. Mousseau-Leadbetter, and/or certain companies beneficially owned by them, including 3814793 Canada Inc. and Diamond Lake Mining Limited, hold surface rights and royalties interests in respect of the following Crown Land mining claims (the "Mining Claims") and surface and mining rights in respect of patented mining claims (the "Patented Lands") situated in Chabanel Township in the District of Algoma, more particularly described as:

1243318, 1243319, 1243325, 1243332, 1243335, 1243336, 1243363, 1243365, 1243369, 1243373, 1243377, 1243509, 1243510, 1235746, 1235747, 1235754, 1235757, 1235758, 1235759.

SSM 17358, SSM 17359, SSM 17360, SSM 21168, SSM 17334, SSM 17335, SSM 17362, SSM 17361, SSM 17337, SSM 17341, SSM 17342, SSM 17343, SSM 17340, SSM 17339, SSM 17338, SSM 18637, SSM 23011, SSM 18638, SSM 23012, SSM 18639, SSM 18640, SSM 18641, SSM 18642, SSM 18644, SSM 18645, SSM 23544, SSM 23543, SSM 21166, SSM 21167, SSM 22722, SSM 22721, SSM 18643, SSM 22718, SSM 22874, SSM 13687, SSM 22719, SSM 13686, SSM 22945, SSM 13683, SSM 22946, SSM 22714, SSM 17336, SSM 17650, SSM 17333, SSM 17363, SSM 21169, SSM 22726, SSM 154445 AND SSM 21171.

(together, the "Dianor Mining Claims").

On behalf of Third Eye Capital, we have obtained a valuation of the Dianor Mining Claims. That valuation is attached.



In exchange for a complete release, quit claim and full extinguishment of any rights, title and interest by your clients and/or any successors or assigns in a form mutually satisfactory to the parties, our client is willing to offer:

- (a) \$250,000 to purchase your clients' royalty interests in the Dianor Mining Claims; and
- (b) \$100,000 to purchase your clients' surface rights in respect of the properties associated with the Dianor Mining Claims.

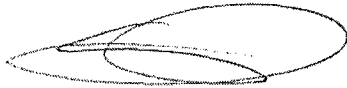
This offer is very generous on the upper end of the valuation for the royalty interests and extremely fair for the surface rights in the Wawa region, that number having been arrived at in consultation with a local and experienced real estate agent.

This offer will remain open for seven (7) days from the date of this letter. We will be moving before the Court for approval of Third Eye's offer to purchase, which calls for the extinguishment of your client's surface and royalty interests in the Dianor Mining Claims.

Essar Steel Algoma Inc. has agreed to the extinguishment of its royalty interests based on the attached valuation and we understand it will support Third Eye in the receivership.

We look forward to hearing from you promptly.

Yours truly,



Shara N. Roy

SNR/rg

cc: Peter Osborne, *Lenczner Slaght LLP*

**From:** Shara N. Roy  
**Sent:** Thursday, May 12, 2016 8:19 PM  
**To:** Rod Johansen (rod@johansenlaw.ca)  
**Cc:** Peter J. Osborne  
**Subject:** Third Eye Capital ats Dianor Resources Inc.  
**Attachments:** Letter Rod Johansen May 12, 2016.pdf; RPA Third Eye Leadbetter Diamond Valuation Update FINAL May 6 2016.pdf

Please see the attached correspondence.

**Shara N. Roy**  
T 416-865-2942  
F 416-865-3973  
[sroy@litigate.com](mailto:sroy@litigate.com)

Lenczner Slaght  
130 Adelaide St W  
Suite 2600  
Toronto, ON  
Canada M5H 3P5  
[www.litigate.com](http://www.litigate.com)

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This e-mail may contain legally privileged or confidential information. This message is intended only for the recipient(s) named in the message. If you are not an intended recipient and this e-mail was received in error, please notify us by reply e-mail and delete the original message immediately. Thank you. Lenczner Slaght Royce Smith Griffin LLP.

May 5, 2016

Mr. Arif Bhalwani  
Managing Director  
Third Eye Capital  
3930-161 Bay St.  
Toronto, ON  
M5J 2S1

Dear Mr. Bhalwani,

**RE: Leadbetter Property Valuation Update**

Roscoe Postle Associates Inc. (RPA) was retained by Third Eye Capital (Third Eye) to complete an update of the valuation of the Leadbetter property (the Property or the Project) of Dianor Resources Inc. (Dianor). The Property is located in Chabanel Township, approximately 12 km by road northeast of Wawa, Ontario.

RPA understands that this valuation is required to support Third Eye's buyout of a royalty held on the Leadbetter property. The effective date of this valuation is March 31, 2016. This valuation report updates a previous valuation of the Property dated January 26, 2015. RPA has been requested to provide an opinion on the value of two royalties on the Property.

All currency is Canadian dollars (C\$) unless otherwise indicated.

RPA has derived a range of Market Values for the Project using the Market Approach (Comparable Transactions Analysis). As of March 31, 2016, RPA estimates that the Market Value for the Leadbetter Property ranges from \$1 million to \$2 million.

**DISCLAIMER**

This report has been prepared by RPA at the request of Lenczner Slaght on behalf of Third Eye Capital ("the Client"). Any use of this report is subject to the agreed terms, conditions and limitations (the "Terms of Business") contained in the RPA proposal accepted by the Client on April 19, 2016, which Terms of Business are incorporated into this Disclaimer by reference. The report may be used by the Client in connection with its review of the Leadbetter Project and shall not be used nor relied upon by any other party, nor for any other purpose, without the written consent of RPA. RPA accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions based on this report. If RPA specifically consents in writing to the use of and reliance on this report by any party other than the Client, such use and reliance shall be in all respects subject to the Terms of Business, including the limitations of liability set forth therein. In no event will RPA have aggregate liability to the Client or any third parties in excess of the limitations set forth in the Terms of Business.

The information, conclusions, opinions, and estimates contained herein are based on:

1. information available to RPA at the time of preparation of this report,
2. assumptions, conditions, and qualifications as set forth in this report, and
3. data, reports, and opinions supplied by the Client and other third party sources.

While it is believed that the information contained herein is reliable under the conditions and subject to the limitations set forth herein, this report is based in part on information not within the control of RPA and RPA does not guarantee the validity or accuracy of conclusions or recommendations based upon that information. While RPA has taken all reasonable care in producing this report, it may still contain inaccuracies, omissions, or typographical errors.

The report is intended to be read as a whole and sections should not be read or relied upon out of context.

The information contained in this report may not be modified or reproduced in any form, electronic or otherwise except for the Client's own use unless the Client has obtained RPA's express permission.

## PROPERTY BACKGROUND

The Property is divided by Dianor into two parts, the Leadbetter claims and the Leadbetter Extension. The Leadbetter Extension is comprised entirely of patented claims with an area of 646 ha, while the Leadbetter consists of unpatented mining claims with an area of 944 ha. The total area of the two properties is 1,590 ha.

RPA understands that there are three gross overriding royalties (GOR) on production from the Project. Mr. Joseph Leadbetter holds a 15.44% GOR on any diamond production from the entire Property and a 1.5% gross royalty on any non-diamond production, excluding sand and gravel. Essar Algoma Steel (formerly Algoma Steel Incorporated) holds a 10% GOR on any production from the Leadbetter Extension claims only.

Diamonds were discovered on the Property in 2004. Diamonds on the Property are hosted in an Archean-aged conglomerate unit referred to as the Leadbetter Conglomerate. Dianor acquired a 100% interest in the Property in 2008. Exploration by Dianor included the completion of 157 drill holes totalling 47,532.51 m and the test pitting of 105 sites. Samples from the test pitting were processed by SGS Lakefield Research in Lakefield, Ontario, and yielded 3,603 diamonds weighing 82.7 carats. An order of magnitude tonnage estimate by Verley (2009) for the Leadbetter Conglomerate ranged from 550 million tonnes to 583 million tonnes. The results of work to date indicate that locally grades are of potential economic interest.

RPA's predecessor company Scott Wilson RPA prepared a valuation of the Leadbetter property for Third Eye with an effective date of June 11, 2010. Considering three valuation methods in the estimation of a Market Value (Comparable Transactions Analysis, Appraised Value, and Market Capitalization), Scott Wilson RPA estimated a range of \$20 million to \$40 million as of the June 11, 2010 valuation date.

In 2012, RPA compiled new comparable transactions and combined these with the ones compiled in 2010. On the basis of comparability, RPA estimated an approximate value range of \$5 million to \$10 million for the Property as of September 26, 2012.

In 2015, RPA compiled more recent comparable transactions from late 2012 to early 2015, and considered that a value range of \$1 million to \$2 million was appropriate for the Property as of January 23, 2015.

## **VALUATION APPROACHES**

The three main approaches to valuation of mineral properties are Income, Cost, and Market approaches. Only the Market Approach (Comparable Transactions Analysis) was used to value the Leadbetter property. The following section summarizes the Market Approach method after Roscoe (2007).

### **COMPARABLE TRANSACTIONS ANALYSIS**

Comparable Transactions Analysis involves compilation of data on mineral properties similar to the subject properties on which transactions have taken place within a reasonable time period of the valuation date. The selection of comparable transactions uses factors such as similarity in geology, mineralization, stage of exploration and results, mineral resources, location and geography, and political jurisdiction. Although it is difficult to find good market comparables because of the unique nature of mineral properties and the small number of transactions, these difficulties are compensated for by analyzing a number of transactions on similar properties to develop a range of values for the subject property.

Since market transactions on exploration properties are typically option, earn-in, or joint venture agreements whereby one party can earn an interest in the property, the agreement terms, to the extent known, are analyzed to estimate a value for each property transaction using the Option Agreement Terms Analysis method, which is described below.

For mineral exploration properties without mineral resources, the value of market comparables can be expressed in terms of total property value or value per unit area (e.g., \$ per hectare). For mineral properties with reported mineral resources, the value of market comparables can be expressed in terms of value per unit of metal contained in the mineral resources (e.g., \$ per carat of diamonds). The market comparable values are then analyzed to derive an appropriate range of values to apply to the property area or the mineral resources of the subject property, as the case may be.

Since there are no mineral resources estimated for the Leadbetter property, RPA has used comparable transactions on diamond exploration properties without mineral resources.

### **OPTION AGREEMENT TERMS ANALYSIS**

The Option Agreement Terms Analysis method was utilized to value the properties used as market comparable transactions.

Most market transactions on non-producing mineral properties are not straightforward cash or share deals, but rather are typically option, earn-in, or joint venture agreements whereby one party obtains the right to earn an interest in the property from another party by fulfilling certain commitments over a period of time. The terms of the option or earn-in agreement must be analyzed to estimate a value for the property being transacted.

In a typical option agreement, a schedule of firm and optional commitments must be fulfilled to earn an interest in the property. The commitments may include payment of cash, issue of shares by the earn-in party, expenditures on mineral exploration, and royalties on production. In general, the commitments are firm in the first year and optional in subsequent years.

Option Agreement Terms Analysis considers the firm commitments to contribute 100% to the value of the property. The optional commitments are assigned a subjective probability of the earn-in party fulfilling each of the annual commitments in the subsequent years of the agreement. The optional commitments multiplied by the probability factor for each year are considered to be the contribution to value. The transaction value is the sum of the firm commitment values and the probability-weighted optional commitment values. If the transaction is for a partial interest in the property, the value is adjusted to a 100% interest in the property.

## VALUATION OF THE LEADBETTER PROJECT

RPA valued the Property using a Market Approach (Comparable Transaction Analysis method). Because no significant work has been completed on the Property in recent years, RPA did not consider that the Appraised Value Method (a Cost Approach) was appropriate.

For the current valuation, RPA estimated a value range for the Property. Based on the Property value range, RPA then estimated value ranges for the GORs.

RPA compiled information on market transactions by companies listed on various stock exchanges which have active diamond exploration properties in Canada for the period since the last valuation update for the Leadbetter property. Numerous transactions on diamond properties were identified by RPA using proprietary databases compiled by Intierra Resource Intelligence and SNL Finance from which 18 were chosen for analysis. The agreement terms, to the extent known, were analyzed to estimate a value for each property transaction. In cases where the transaction was for less than 100% of the property, the value was adjusted to a 100% interest in the property. Values per hectare were calculated for each property from the total property value and the area in hectares. RPA has analyzed the statistics of the comparable transaction property values and \$/ha values in terms of the mean, median, standard deviation, and coefficient of variation (CV). The CV is the standard deviation divided by the mean and is a measure of the variability of the data.

In order to compile data on market transactions on exploration properties that are comparable to the Leadbetter property, RPA used the following criteria:

- Comparable transactions were sought for exploration properties in Canada for which the primary exploration target is diamonds.
- Although in practice it can be difficult to do, transactions were selected which have property areas in the same order of magnitude as the subject property. This is because, in general, very large properties tend to have lower values per hectare and very small properties tend to have higher values per hectare.
- Transactions with dates from October 2012 to September 2015 were selected for the March 31, 2016 valuation date.
- Transactions were not deemed applicable if the 100% estimated property value did not reflect a reasonable dollar amount supportive of the requirements for ongoing exploration.
- Transactions selected were all arm's length, to the best of RPA's knowledge.

Considerations in choosing an appropriate range of \$/ha values and property values to apply to the subject property include:

- Examining the mean and median values as well as the overall range of values.
- Eliminating outliers at the high and/or low end of the value range. This usually results in a lower CV.

- Determining which properties are more similar to the subject property.
- Rounding off property values and \$/ha values appropriately.

Since market transactions on exploration properties are typically option, earn-in, or joint venture agreements whereby one party can earn an interest in the property, the agreement terms, to the extent known, are analyzed to estimate a value for each property transaction using the Option Agreement Terms Analysis method, which is described above in the section on Valuation Approaches.

Table 1 summarizes the comparable transactions used and the transactions analysis for the Leadbetter property.

**TABLE 1 COMPARABLE TRANSACTIONS**  
**Third Eye Capital - Leadbetter Property Valuation**

Property	Location	Date	Size (ha)	Equity Earned	Buyer	Seller	Property Value 100%	C\$/ha
Redemption	NWT	04-Jul-13	11,500	55%	North Arrow Minerals	Arctic Star Exploration	5,318,200	462
Eric Lake	NT	27-Jan-14	2,090	60%	Thunderstruck Resources	Hunter Exploration	2,579,950	1,234
Margaret Lake	NWT	14-Mar-14	19,716	70%	JDV Capital Corp.	Harsbo Minerals	2,085,700	106
Marlin	NWT	28-Aug-14	26,000	49%	Margaret Lake Diamonds	Canterra Minerals	1,964,700	76
Margaret Lake	NWT	23-Dec-13	19,716	70%	Harsbo Minerals	Margaret Lake Diamonds	1,931,900	98
Margaret Lake	NWT	13-Jul-15	19,716	40%	Margaret Lake Diamonds Inc.	Margaret Lake Diamonds Ltd.	1,657,500	84
LDG/GT	NWT	25-Oct-12	32,982	50%	North Arrow Minerals	Springbok Holdings	1,000,000	30
Pikoo	SK	14-Mar-13	33,374	80%	North Arrow Minerals	Stornoway Diamonds	1,000,000	30
Orion	QC	16-Oct-14	2,275	100%	Prima Diamond Corp.	Fiducie Ananke	979,600	431
Kahuna	NT	18-Aug-14	13,000	100%	Dunedin Ventures Inc.	Undisclosed	875,400	67
Godspeed Lake	NWT	27-Jun-14	42,000	100%	Prima Diamond Corp.	DG Resource Mgmt.	866,650	21
GEFA	SK	27-Jan-14	13,150	60%	Alto Ventures	Private Vendors	691,650	53
Reindeer	SK	05-May-14	67,350	75%	Canadian International Minerals	Reindeer Syndicate	440,825	7
Eight Permits	NT	06-May-15	115,000	100%	Trigold Resources	Private Vendors	267,677	2
Munn Lake	NWT	25-Jul-14	14,000	100%	Prima Diamond Corp.	DG Resource Mgmt./Zimtu Capital	262,900	19
Timiskaming	QC	14-Mar-13	3,865	80%	North Arrow Minerals	Stornoway Diamonds	225,000	58
Two Claims	SK	27-Jan-14	2,467	100%	Copper Reef Mining	CanAlaska Uranium	146,425	59
LG	QC	29-Sep-15	2,275	100%	Honey Badger Exploration	9019-5504 Quebec Inc.	102,041	45
All transactions						Mean	1,244,229	160
						Median	927,500	59
						Std Dev	1,263,427	298
						CV	102%	2
Without 1 highest and 2 lowest property values						Mean	1,121,963	154
						Median	979,600	58
						Std Dev	746,658	316
						CV	67%	2
Without 1 highest and 6 lowest property values						Mean	1,421,186	203
						Median	1,000,000	76
						Std Dev	639,046	361
						CV	45%	2
Range of middle 5 property values without 1 highest and 6 lowest							979,600 to 1,931,900	

**Recommended Property Value Range**

**\$1 million to \$2 million**



RPA analyzed the comparable transactions on a \$/ha basis and on a total property value basis. RPA noted that there is less variability in the property values compared to the \$/ha basis and that the property values do not seem to be related to size, although there is some scatter in the data. RPA therefore used the total property values of the comparable transactions to estimate a range of values to apply to the Leadbetter property.

RPA reviewed transaction data for trends over time. Although there is some scatter, there appears to be no distinct trend in property values from late 2012 to late 2015. RPA therefore used all 18 transactions from late 2012 to late 2015 in its analysis. RPA also examined each transacted property for comparability to the Leadbetter property by deriving a comparability index based on indications of diamond mineralization, stage of exploration, and proximity to infrastructure. RPA noted no correlation of property values with the comparability index, and used all of the transactions in its analysis.

Based on the analysis of market comparable transaction property values in Table 1, RPA considers that a value range of \$1 million to \$2 million is appropriate for the Property. This value range is toward the higher end of the of property values of market transactions listed in Table 1 because the Property is at an advanced stage of exploration, diamonds have been discovered, and significant size potential is demonstrated by the work to date. Of the range of \$1 million to \$2 million for the whole Property, RPA judges that in the order of 70% of the potential tonnage is on the Leadbetter Extension claims and 30% is on the remaining claims. RPA has therefore allocated 70% of the total Property value to the Leadbetter Extension claims for a range of \$0.7 million to \$1.4 million.

## GOR VALUATION

Mr. Joseph Leadbetter holds a 15.44% GOR on any diamond production from the entire property and a 1.5% gross royalty on any non-diamond production. Essar Algoma Steel holds a 10% GOR on any diamond production from the Leadbetter Extension claims. This valuation includes the 15.44% GOR and the 10% GOR, and does not include the 1.5 % non-diamond royalty.

A GOR is similar to a Net Smelter Return Royalty (NSR) which is more common in the mining industry. GORs and NSRs have the following general characteristics with respect to mineral properties:

- GOR is calculated from the gross proceeds of production and is not related to margin or profitability of an operation, since there is no deduction for the costs of operation.
- Most NSRs are in the order of 1% to 5%, and higher ones are highly unusual in the mining industry, in RPA's experience.
- In terms of valuation, the NSR or GOR can represent more than its nominal percentage of the value of a mining project. This is because the value of a mining project is related to its operating margin after deduction of operating costs and capital costs from gross proceeds, whereas the GOR or NSR is related to the gross proceeds.
- As a simplified example, if the annual gross proceeds of a mining operation are \$100 million and operating costs are \$50 million, operating margin is \$50 million. A 5% NSR would be 5% of \$100 million, or \$5 million, which is 10% of the operating margin. The multiplier effect of 2:1 in this example can be higher when capital and other costs are taken into account, or if operating costs are higher.
- A high GOR, while highly beneficial to the royalty holder, can have a detrimental effect on the profitability of a mining operation because of this multiplier effect.

- In the case of a mining operation with a relatively low operating margin, a high GOR or NSR can reduce the operating margin to the point that the operation is unprofitable.
- For a new operation, the operating margin or cash flow must be sufficient to repay the capital required to build the project. A high NSR or GOR may leave insufficient cash to repay the capital investment, rendering the project uneconomic so that it may not be built.

RPA has considered the positive and negative factors listed above in valuation of the GORs on the Leadbetter Project. In RPA's view, the high GORs of 10% and 15%, especially in combination, are a significant encumbrance on the Property that detracts from the multiplier effect described above, and could render a potential operation uneconomic. The unusually high GOR percentages can have the effect of inhibiting or even preventing a potential sale of the Property. For valuation purposes, RPA considers that the GOR percentages should be applied directly to the Property value ranges, as shown in Table 2.

**TABLE 2 VALUATION OF GROSS OVERRIDING ROYALTIES**  
**Third Eye Capital – Leadbetter Property Valuation**

Royalty	Applicable Property	Property Value (\$M)	GOR (%)	GOR Value Range (\$) (rounded)
Leadbetter	All claims	1.0 to 2.0	15.44	150,000 to 310,000
Essar Algoma Steel	Leadbetter Extension claims	0.7 to 1.4	10	70,000 to 140,000

## VALUATION SUMMARY

RPA has estimated the value of the Leadbetter property using the Comparable Transactions Analysis on a property value basis. In RPA's opinion, the Leadbetter property has a value range of \$1 million to \$2 million as of the valuation date of March 31, 2016, of which \$0.7 million to \$1.4 million is allocated to the Leadbetter Extension claims.

Based on the Property value ranges, RPA has estimated a value range of \$150,000 to \$310,000 to the Leadbetter 15% GOR on the entire Property and a value range of \$70,000 to \$140,000 million to the Essar Algoma Steel 10% GOR on the Leadbetter Extension claims part of the Property.

RPA would like to thank Third Eye Capital for the opportunity to work on this Project. Should you have any questions, please do not hesitate to contact us at any time.

Sincerely,  
**Roscoe Postle Associates Inc.**



William E. Roscoe, Ph.D., P.Eng.  
Principal Geologist

Email: [william.roscoe@rpacan.com](mailto:william.roscoe@rpacan.com)



Paul Chamois, P.Geo.  
Senior Geologist

Email: [paul.chamois@rpacan.com](mailto:paul.chamois@rpacan.com)

## REFERENCES

Roscoe, W.E., 2007: Valuation of Non-Producing Mineral Properties Using Market Comparables; Journal of Business Valuation, 2007, pp. 207-231.

Verley, C.G., 2009: 2009 Update of Activities on the Leadbetter Diamond Project. A report prepared for Dianor Resources Inc. by Amerlin Exploration Services Ltd.

# Tab C

This is **Exhibit "C"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line and a small loop.

---

A COMMISSIONER FOR TAKING AFFIDAVITS

Share N. Roy

**From:** Rod Johansen [<mailto:rod@johansenlaw.ca>]  
**Sent:** Wednesday, May 25, 2016 10:58 AM  
**To:** Arif N. Bhalwani <[arif@thirdeyecapital.com](mailto:arif@thirdeyecapital.com)>; Massi, Raymond <[RMassi@richter.ca](mailto:RMassi@richter.ca)>  
**Cc:** J LEADBETTER <[jleadbetter@shaw.ca](mailto:jleadbetter@shaw.ca)>  
**Subject:** FW: Leadbetter

Attached is outline of offer provided on a without prejudice basis

Rod Johansen  
**Johansen Law Firm**  
Suite 102 – 981 Balmoral Street  
Thunder Bay, ON P7B 0A6  
Direct dial: 807-474-4440  
Fax: 807-474-3400  
Email: [rod@johansenlaw.ca](mailto:rod@johansenlaw.ca)

**From:** Sandra Lazaruk  
**Sent:** Wednesday, May 25, 2016 10:14 AM  
**To:** Rod Johansen <[rod@johansenlaw.ca](mailto:rod@johansenlaw.ca)>  
**Subject:** Leadbetter

Sandra Lazaruk  
Litigation Assistant to  
Roderick W. Johansen  
**Johansen Law Firm**  
102-981 Balmoral Street  
Thunder Bay, ON P7B 0A6  
Phone: 807-474-4444  
Fax: (807) 474-3400  
Email: [sandra@johansenlaw.ca](mailto:sandra@johansenlaw.ca)

WITHOUT PREJUDICE

OUTLINE OF OFFER

23

May 25, 2016

G O R

1. Buy down to 2% in consideration for \$500,000;
2. Right to purchase a further 1% in consideration for \$2,000,000.00. Remaining 1% capped at \$25,000.00.

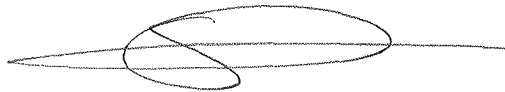
SURFACE RIGHTS

1. Pay back rent for use of compound  
To December 31, 2015: \$50,000.00 + HST + property tax  
(Aug 2014 – Dec 2015)
2. Pay future rent for use of compound  
From January 1, 2016, forward: \$2,000 / month +HST + property taxes
3. First right of refusal on future sale
4. Option to purchase for next 2 years at \$750,000.00.

Tab D



This is **Exhibit "D"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.



---

A COMMISSIONER FOR TAKING AFFIDAVITS

Shar N. By

Execution Copy

**AMENDMENT TO LEADBETTER PROPERTY OPTION AGREEMENT  
[CROWN LAND]**

This Agreement made and entered into as of the 25<sup>th</sup> day of August, 2008 among:

DIANOR RESOURCES INC., having a place of business at 649 Third Avenue, Val D'Or, Quebec J9P 1S7 (herein "Dianor" or the "Optionee")

and

3814793 CANADA INC., having a place of business at P.O. Box 97, Wawa, Ontario POS 1KO, herein acting and duly represented for the purposes hereof by its President, Joseph Leadbetter

and

PAULETTE A. MOUSSEAU-LEADBETTER, in her personal capacity (together with 3814793 Canada Inc., the "Optionors")

**WHEREAS** the parties hereto are parties to an agreement dated December 15, 2004 (the "Leadbetter Option Agreement"), attached as Schedule 1, as amended by agreement dated July 30, 2005 (the "Leadbetter Option Amending Agreement") attached as Schedule 2, with respect to 19 Crown Land mining Claims (the "Mining Claims") situated in Chabanel Township in the District of Algoma, Province of Ontario;

**AND WHEREAS** the parties hereto are parties to an undated agreement (the "Non-Diamond Mineral Rights Agreement") attached hereto as Schedule 3;

**AND WHEREAS** the parties hereto are also parties to an agreement dated March 30, 2007 (the "Ten Percent Purchase Agreement") attached hereto as Schedule 4;

**AND WHEREAS** the Leadbetter Option Agreement, Leadbetter Option Amending Agreement, Non-Diamond Mineral Rights Agreement and Ten Per Cent Purchase Agreement are all hereinafter collectively referred to as the "Leadbetter Crown Land Property Agreements";

**AND WHEREAS** the parties hereto wish to further amend the Leadbetter Crown Land Property Agreements;

**NOW THEREFORE** this Agreement witnesseth that in consideration of the sum of One Dollar (\$1.00) and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Terms capitalized in this Agreement that are not defined herein have the same meaning as ascribed to them in the Leadbetter Crown Land Property Agreements, unless the context otherwise requires. In addition, the following term shall have the following meaning:

- (a) **"Property"** means the area which is within the boundaries of the Mining Claims.
2. Section 2 of the Leadbetter Option Agreement is hereby amended by changing the clause "and the right to earn an eighty percent (80%) undivided interest in the Mining Claims (the 'Option') upon satisfying the terms and conditions herein" therein to "and the right to earn a one hundred percent (100%) undivided interest in the Mining Claims (the 'Option') upon satisfying the terms and conditions herein, with the Optionor retaining a twenty percent (20%) gross overriding royalty (GOR) for diamonds and a one and a half percent (1.5%) gross overriding royalty for all other metals and minerals."
  3. Section 3 (b)(ii) of the of the Leadbetter Option Agreement is hereby amended so as to read as follows:

"Expenditures, including the Expenditures referred to above, of at least ten million dollars (\$10,000,000) on or before the eighth anniversary of the date of this Option Agreement."
  4. Section 6 of the Leadbetter Option Agreement is hereby amended by changing the clause "the right to an eighty percent (80%) undivided interest in the Mining Claims" therein to "the right to a one hundred percent (100%) undivided interest in the Mining Claims".
  5. Section 7 of the Leadbetter Option Agreement is hereby amended so as to read as follows:

"Once the Optionee becomes the owner of a one hundred percent (100%) undivided interest in the Mining Claims, the Optionors shall retain a twenty percent (20%) Gross Overriding Royalty ('GOR') for diamonds and a one and a half percent (1.5%) gross overriding royalty (GOR) for all other metals and minerals as calculated in accordance with Schedule 'A'. The Optionee shall have the right of first refusal to purchase the Optionors' GOR."
  6. Section 8 of the Leadbetter Option Agreement is hereby amended by changing the clause "an eighty percent (80%) interest" therein to "a one hundred percent (100%) interest".
  7. Section 8 of the Leadbetter Option Agreement is hereby further amended by adding the following at the end thereof:

"Prior to the Optionee becoming the owner of a one hundred percent (100%) interest in the Mining Claims, the Optionee shall provide the Optionor with a detailed accounting of all diamonds recovered from the Mining Claims. These diamonds shall be retained in trust for the Optionor until such time as they have no scientific value or returned to the Optionor in the event that the Optionee decides not to proceed with development, upon

completion of by the Optionor of bulk sampling and processing on the Mining Claims or, in any event, by August 25, 2010."

8. Section 9 of the Leadbetter Option Agreement is amended by adding the following at the end thereof:

"The Optionee agrees to indemnify and save harmless the Optionors, their successors, heirs and assigns, as the case may be, from any loss, cost or liability (including, without limitation, reasonable legal fees) arising from a claim against the Optionors in respect of any failure by the Optionee to at all times comply with all applicable present or future federal, provincial, territorial and local laws, statutes, rules, regulations, permits, ordinances, certificates, licences and other regulatory requirements, policies and guidelines relating to the Optionee, the Mining Claims or the Property; provided, however, that the Optionee shall have the right to contest any of the same if such contest does not jeopardize the Property, the Mining Claims or the Optionors' rights thereto or under this Agreement. Without limiting the foregoing, the Optionee agrees to indemnify and save harmless the Optionors, their successors, heirs and assigns, as the case may be, from any loss, cost or liability (including, without limitation, reasonable legal fees) arising from a claim against the Optionors in respect of:

- (a) any failure by the Optionee to timely and fully perform all abandonment, restoration, remediation and reclamation activities required by all governmental authorities pertaining or related to the operations or activities of the Optionee on or with respect to the Property, the Mining Claims or required under this Agreement; or
- (b) the Optionee causing, suffering, or permitting any condition or activity at, on or in the vicinity of the Property which constitutes a nuisance.

This section 9 shall remain in effect until such time as the Optionee obtains a one hundred percent (100%) ownership interest in the Mining Claims."

9. Section 10 of the Leadbetter Option Agreement is amended by adding the following at the end thereof:

"In addition, the parties agree that:

- (a) Meetings of the Management Committee will be held at quarterly intervals or at such other intervals as the parties may agree in Sault Ste. Marie, Ontario or at such other place as the parties may agree from time to time.

- (b) Notice of each meeting of the Management Committee must be given to the Optionors by the Optionee at least twenty-one (21) days prior to the proposed meeting date, which notice must be accompanied by a copy of the agenda therefor together with all supporting materials.
- (c) All decisions of the Management Committee will be determined by a vote of simple majority of the members present, provided that no meeting of the Management Committee will transact any business unless a quorum is present. The quorum for each meeting will be at least one representative of the Optionors and one of the Optionee; provided that if a quorum is not present within thirty (30) minutes of the time appointed for the commencement of a Management Committee meeting, the meeting will stand adjourned to the same day and time of the next week at the same place and, at any such adjourned meeting, those present will be deemed to constitute a quorum.
- (d) In October of each year the Optionee will prepare and deliver to the Optionors a draft annual program and budget and three year plan for the next financial year. In November of each year, the Management Committee shall meet to consider, discuss in good faith and approve, with or without amendment, the draft annual program and budget and three year plan for the next financial year.
- (e) Minutes of each meeting of the Management Committee shall be kept by the Optionee. The minutes need not be a verbatim record of all proceedings, but must record at least the names of the representatives present, all motions and resolutions offered or acted upon, a record of the vote and the result of the vote. Copies of the draft minutes of each Management Committee meeting shall be distributed to each committee member within fourteen (14) days after the meeting.

This section 10 shall remain in effect until such time as the Optionee obtains a one hundred percent (100%) ownership interest in the Mining Claims."

10. Section 12 of the Leadbetter Option Agreement is hereby amended by deleting the first sentence thereof and replacing it with the following:

"The Optionee shall provide to the Optionors periodic progress reports, on at least a quarterly basis, disclosing all exploration and development activities on the Mining Claims."

11. Section 13 of the Leadbetter Option Agreement is hereby amended by adding the following at the end thereof:

"Once the Optionee has earned an interest in the Mining Claims, the Optionee shall have the right to abandon, surrender, allow to lapse, reduce the area of or otherwise deal with any part or parts of its interest in the Mining Claims as it may determine do not warrant the expenditure of additional funds, provided that the Optionee shall give to the Optionors not less than one hundred eighty (180) days' notice of its intention to do so and shall, if requested by the Optionors by notice to the Optionee within that period of time, deliver to the Optionors duly-executed transfers of its interest in such Mining Claims or part or parts thereof. If the Optionee or any person with whom the Optionee does not deal at arm's length restakes any expired claims or leases relating to or comprising the Mining Claims, this Agreement shall include any such new claims.

This section 13 shall remain in effect until such time as the Optionee obtains a one hundred percent (100%) ownership interest in the Mining Claims."

12. Section 16 of the Leadbetter Option Agreement is hereby amended by changing the clause "an eighty percent (80%) interest" therein to "a one hundred percent (100%) interest".

13. The following sections are added to the Leadbetter Option Agreement:

24. "The Optionee shall purchase or otherwise arrange at its own expense and shall keep in force at all times insurance (including, without limitation, comprehensive general public liability insurance) against claims for bodily injury or death or property damage arising out of or resulting from activities or operations on or with respect to the Property and in respect of loss, theft or destruction of diamonds, in such amounts as will adequately protect the Optionee, the Optionors, the GOR, and the Property from any and all claims, liabilities and damages which may arise with respect to the Property and as will adequately protect the Optionee and the Optionors from loss, theft and destruction of diamonds and in any event in an amount not less than ten million dollars (\$10,000,000.00). The Optionors shall be named as a loss payee on all property, liability and other insurance policies held by the Optionee relating to the Property, the Mining Claims, the diamonds and the GOR until the Optionee obtains its one hundred percent (100%) ownership in the Mining Claims by final payment on or before January 15<sup>th</sup>, 2009.

25. The parties agree that any dispute arising from or in connection with this Agreement or the interpretation, application, operation or performance of the terms of this Agreement shall be governed by the dispute resolution procedures set forth in Schedule "B" attached hereto, which form part of this Agreement, save and except any dispute respecting monetary obligations of the Optionee to the Optionors.
26. If the Optionee fails to make the expenditures referred to in section 3(b)(ii) by December 15, 2012 then any and all rights that the Optionee has acquired in the Mining Claims pursuant to this Agreement shall be forfeited and the Optionee shall forthwith execute the documentation necessary to record and register the transfer of the Optionee's interest in the Mining Claims back to the Optionors. The Optionee shall also deliver in a timely manner to the Optionors all data, samples, reports, assays and all other information and material relative to the diamond exploration of the Property carried out by the Optionee to that time.
27. For Non-Diamond Mineral Rights, the parties agree that the 1.5% gross royalty payable by the Optionee to the Optionor shall be calculated in accordance with the provisions of Schedule "C" attached hereto, which forms part of this Agreement.
28. Each party shall execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the documents and transactions contemplated in this Agreement, in each case at the sole cost and expense of the party requesting such further investment, document or action. The Optionors shall have the right from time to time to register or record notice of this Agreement, any other instruments relating to such agreement, a notice of the GOR, a Notice of the Gross Royalty and a caution or other title document against the title to the Property, the Mining Claims and the Optionee shall cooperate with such registration or recording and provide its written consent or signature to any documents or things necessary to accomplish such registration or recording."
29. Subject to the approval of the TSX Venture Exchange, which the Optionee will use its best efforts to obtain as soon as possible, the balance of cash and share payments of \$1,500,000 currently due under the

Leadbetter Crown Land Property Agreements on  
January 16, 2009 shall be paid no later than October 31,  
2008.

14. Schedule "A" to the Leadbetter Option Agreement is replaced with Schedule "A" which is attached hereto and which forms part of this Agreement.
15. In all other respects, the Leadbetter Crown Land Property Agreements remain in full force and effect, unamended.

**[Remainder of page intentionally left blank; signatures to follow]**

---



Execution Copy  
November 27, 2008

8

IN WITNESS HEREOF the parties hereto have executed this Agreement as of the date first above written.

DIANOR RESOURCES INC.

per: \_\_\_\_\_  
John Ryder  
President

3814793 CANADA INC.

per: \_\_\_\_\_  
Joseph Leadbetter  
President

SIGNED, SEALED AND DELIVERED

In the presence of

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Paulette Mousseau-Leadbetter

**SCHEDULE "A"****Gross Overriding Royalty****1. DEFINITIONS AND INTERPRETATION**

- 1.1. **"Affiliate"** means any corporation which directly or indirectly controls, is controlled by, or is under common control with, a party. The term "control" as used in this section means the rights to the exercise of more than 20% of the voting rights attributable to the shares of the controlled corporation.
- 1.2. **"Average Appraised Value"** means the value in Canadian dollars of the Diamonds after they have been cleaned and sorted, determined as provided in sections 2.2 and 2.3 hereof, with no deductions for costs or expenses of any nature or kind.
- 1.3. **"Mining Claims"** means the 19 Crown Land mining claims described in the Leadbetter Option Agreement.
- 1.4. **"Diamonds"** means all diamonds that are recovered or produced from the Property after the date of this Agreement, excluding any by-products or tailings that remain after the extraction and processing process.
- 1.5. **"Encumbrances"** means any mortgage, charge, pledge, lien, licence, privilege, security interest, royalty or other encumbrance.
- 1.6. **"Gross Overriding Royalty"** or **"GOR"** has the meaning assigned to it in section 2.1 of this Schedule "A".
- 1.7. **"Package of Diamonds"** has the meaning assigned to it in section 2.2 of this Schedule "A".
- 1.8. **"Production Decision"** means a decision by the Optionee to bring the Property or any part of it into the commercial production of diamonds.
- 1.9. **"Property"** means the area which on the date of this Agreement is within the boundaries of the Mining Claims.
- 1.10. **"Royalty Percentage"** means twenty percent (20%) less the percentage interest in the Mining Claims, if any, the Optionors have then acquired pursuant to the Ten Percent Purchase Agreement,
- 1.11. **"Valuator"** has the meaning assigned to it in section 2.2 of this Schedule "A".

**2. ROYALTY**

- 2.1. The Optionors are entitled to a royalty (**"Gross Overriding Royalty"** or **"GOR"**) equal to the Royalty Percentage of the Average Appraised Value of the Diamonds.

- 2.2. The parties agree that the Diamonds shall be sorted, graded and valued at an agreed location not less frequently than once in each calendar quarter (all of the Diamonds which are valued at a particular time being hereinafter referred to as a "**Package of Diamonds**"). The "**Average Appraised Value**" of the Package of Diamonds shall mean the average of the valuations in Canadian dollars of the Package of Diamonds determined by two independent graders, one appointed by the Optionee and one appointed by the Optionors or utilize the valuation and grading by the Ontario Government independent appraiser. The independent graders shall be duly qualified and accredited and shall be independent of the Optionors and the Optionee. The independent graders shall sort, grade and value the Package of Diamonds in accordance with price books, standards and formulas and in accordance with industry standards having regard to, but without limiting the generality of the foregoing, the commercial demand for the Package of Diamonds and their grades, colours, sizes and clarity. Each of the independent valuers shall provide a report in reasonable detail showing his conclusions as to the appraised value of the Package of Diamonds individually and in the aggregate.
- 2.3. The parties acknowledge that the intention is that the GOR be paid to the Optionors on the basis of the Average Appraised Value of the Package of Diamonds multiplied by the then applicable Royalty Percentage, regardless of the price or proceeds actually received by the Optionee for or in connection with the Package of Diamonds or any of them or the manner in which a sale to a third party is made, and without any deduction for any development, mining or other costs incurred by the Optionee whatsoever. The Optionors shall not be entitled to participate in profits or be obliged to share in any losses generated by the Optionee's marketing or sales of the Diamonds.
- 2.4. The Optionee shall calculate and pay the GOR to the Optionors quarterly within ten days of the end of each calendar quarter (namely March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup>), based on the Packages of Diamonds that were graded in such quarter.
- 2.5. If from time to time the Optionee files a royalty return under the Canada Mining Regulations pertaining in whole or in part to Diamonds, it will concurrently with such filing deliver a copy of the return to the Optionors.
- 2.6. The Optionee will retain possession of each Package of Diamonds at the mine site on the Property and will not sell or otherwise dispose of any such Package of Diamonds or commingle the Diamonds therein with other diamonds unless:
- (a) the Average Appraised Value of the Package of Diamonds has been determined in accordance with sections 2.2 and 2.3; and
  - (b) the Optionee has at the mine site Diamonds with an Average Appraised Value of at least two times the amount of the GOR in respect of the

Package of Diamonds or cash equal to two times the amount of the GOR in respect of the Package of Diamonds.

- 2.7. The Optionors shall, at their election, have the right to take their GOR in kind or cash, in whole or in part by notifying the Optionee of their intentions at the beginning of each quarter.

**3. BOOKS; RECORDS; INSPECTIONS**

- 3.1. The Optionee shall keep true and accurate books and records of all of its operations and activities with respect to the Property, the Mining Claims and the Diamonds, prepared in accordance with Canadian generally accepted accounting principles, consistently applied. The Optionee may, from time to time, perform audits or other examinations of all of the books and records to confirm GOR calculations and compliance with the terms of this Agreement. The expenses of any audit or other examination permitted hereunder shall be paid by the Optionors, unless the results of such audit or other examination permitted hereunder disclose a deficiency in respect of the GOR payments paid to the Optionors hereunder greater than \$5,000, in which event the costs of such audit or other examination shall be paid by the Optionee.
- 3.2. Within 60 days following the end of each calendar year, the Optionee shall provide the Optionors with an annual report of Diamonds produced from the Property during such calendar year in reasonable detail including grade, size, colour and clarity. Such annual report shall include estimates of anticipated production from and estimated remaining diamond reserves on the Property for the succeeding calendar year and any changes to, or replacements of, the mine plan or any "life of mine plan" with respect to the Property. The Optionee shall provide the Optionors with a copy of any "life of mine plan", if produced, within 30 days of its approval by them and any changes to, or replacements of, any such "life of mine plan" or any mine plan within 30 days after such change or replacement thereof.
- 3.3. From time to time on not less than five business days' notice to the Optionee, the Optionors, or its authorized agents or representatives, may, under supervision of the Optionee, enter upon all surface and subsurface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon, and all production records and data pertaining to all production activities and operations on or with respect to the Property, including without limitation, records and data that are electronically maintained.
- 4. NATURE OF INTEREST**
- 4.1. It is the intent of the parties hereto that the GOR shall constitute a covenant and an interest in land running with the Property and the Mining Claims and all successions thereof or leases or other tenures which may replace them, whether created privately or through governmental action, and including, without limitation, any leasehold interest. If any right, power or interest of any

party under the Leadbetter Crown Land Property Option Agreement would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of 20 years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

## SCHEDULE "B"

### Dispute Resolution Procedures

#### 1.1 Commencement of Process

Either the Optionors or the Optionee ("**Initiating Party**") may give notice to the other of any dispute arising from or in connection with the interpretation, application, operation or performance of this Agreement, which shall contain the particulars of the matter in dispute, the details of its position and the relevant provisions of this Agreement ("**Dispute Notice**"). The other party ("**Responding Party**") shall reply in writing to the Dispute Notice within ten (10) business days after receiving it, setting out in such reply the details of its response and any other relevant provisions of this Agreement.

#### 1.2 Amicable Negotiations

Following the delivery of a reply to a Dispute Notice, the parties shall use all reasonable efforts to resolve the dispute by amicable negotiations and agree to provide, without prejudice, frank, candid and timely disclosure of all relevant facts, information and documents to facilitate these negotiations.

#### 1.3 Arbitration Proceedings

If a dispute has not been resolved within five (5) business days following receipt of a Responding Party's reply to a Dispute Notice, the dispute shall be resolved by arbitration as set forth herein. The arbitration proceedings shall be commenced by the Initiating Party giving notice ("**Arbitration Notice**") to the Responding Party, specifying the matter to be arbitrated, the details of its position and requesting arbitration thereof. At the time of service of the Arbitration Notice, the Initiating Party shall also deliver the name and qualifications of its choice of an arbitrator. The Responding Party has the right, exercisable within four (4) business days, to name the second arbitrator or to agree to have the matter heard by the arbitrator named by the Initiating Party. The two (2) arbitrators so named shall within three (3) business days name the third arbitrator who shall be the chairman. Failing agreement within the stipulated time, the third arbitrator shall be appointed in accordance with the *Arbitration Act* (Ontario). If the Responding Party fails to name an arbitrator within the required period, the matter shall be heard by the sole arbitrator named by the Initiating Party. Alternatively, the parties may agree upon an alternative sole arbitrator within the aforementioned seven (7) business day period.

#### 1.4 Governance of Arbitration

The following provisions shall govern the arbitration:

- (a) to the extent not inconsistent with this Section 1.4, the arbitrators or arbitrator ("**Board**") shall conduct the arbitration in such a manner as

the Board considers appropriate, but each of the parties shall be treated fairly, even-handedly and shall be given full opportunity to present its case by submitting evidence and making oral submissions;

- (b) each party shall be responsible for its own legal and other expenses related to the arbitration;
- (c) the powers of the Board include but are not limited to:
  - i. controlling or refusing discovery examinations;
  - ii. limiting or extending the extent of document disclosure;
  - iii. requiring early disclosure of intended witnesses and documents;
  - iv. limiting the number of experts or refusing to allow expert evidence;
  - v. requiring the use of an independent single expert to deal with the particular issue or a number of issues;
  - vi. requiring experts to file written reports in place of giving oral testimony;
  - vii. determining when and in what order experts will be heard;
  - viii. setting the dates, times and locations for the arbitration;
  - ix. ordering pre-arbitration meetings or exchange of documents, as required; and
  - x. awarding the costs of the Board in connection with the arbitration, provided that, if it does not and:
    - A. the Board agrees with the position taken by the Optionors, the Optionee shall pay the costs of the Board; or
    - B. the Board agrees with the position taken by the Optionee, the Optionors shall pay the costs of the Board; or
    - C. the Board's decision is divided, the Optionors and the Optionee shall share the Board's costs equally;
- (d) arbitration hearings shall be held in the English language in Wawa, Ontario or such other location as may be agreed upon;
- (e) subject to any adjournment which the Board allows, any arbitration hearing will be continued on successive business days until it is concluded;

- (f) all arbitration hearings shall be in private unless the parties otherwise agree;
- (g) any party may be represented at any arbitration hearing by legal counsel; and
- (h) except to the extent modified by the terms of this Schedule "B", the *Arbitration Act* (Ontario) shall apply.

#### 1.5 Decisions of the Board

##### (a) General

Decisions shall be made by the majority of the Board, or the sole arbitrator if there be only one.

##### (b) Decisions in Writing

The Board shall make its decisions in writing and, unless the parties otherwise agree, will set out reasons for its decisions.

##### (c) Time for Decision

The Board shall send its decisions to the parties as soon as practicable after the conclusion of a hearing, but in any event no later than ten (10) business days thereafter or such longer time as the parties may agree.

##### (d) Decisions Final and Binding

With the exception of errors in law, decisions of the Board shall be final and binding on the parties and shall not be subject to any appeal or review procedure, provided the Board has followed the rules and procedures provided herein in good faith and has proceeded in accordance with the principles of natural justice. Notwithstanding the foregoing, the Board does not have the authority or power to alter, change, amend, modify, waive, add to or delete any of the provisions of this Agreement and the Leadbetter Crown Land Property Agreements and any decision rendered by the Board must be consistent with the terms and conditions of this Agreement and the Leadbetter Crown Land Property Agreements.

#### 1.6 Continuation of Work During Dispute

Notwithstanding that a matter or matters have been referred to the Dispute Resolution Procedures set forth in this Schedule "B", each of the Optionors and Optionee shall, to the extent reasonably possible, continue to perform their obligations under this Agreement without interruption or delay and the continuation of such performance shall in no way amount to a waiver of, or in any way prejudice, the positions taken by the parties in the dispute being arbitrated.



**SCHEDULE "C"****Calculation of Gross Royalty for Non-Diamond Minerals and Metals****1. DEFINITIONS AND INTERPRETATION**

- 1.1. **"Gross Revenue"** means the aggregate of the following amounts received in each quarter:
- (a) the revenue received by the Optionee or any of its Affiliates from arm's length purchasers of all Product;
  - (b) the fair market value of all Product sold by the Optionee or any of its Affiliates in such quarter to persons not dealing at arm's length with the Payor; and
  - (c) any proceeds of insurance on Product.
- 1.2. **"Products"** means any minerals recovered from the Mining Claims defined in the Leadbetter Option Agreement.
- 1.3. **"Mining Claims"** means the 19 Crown Land Mining claims described in the Leadbetter Option Agreement.

**2. ROYALTY**

- 2.1. The royalty interest which shall be payable to the Optionor by the Optionee pursuant to the Non-Diamond Mineral Rights Agreement shall be 1.5% of Gross Revenue, as defined in Section 1.1 of this Schedule "C".
- 2.2. The Gross Royalty will be calculated and paid within ten (10) days after the end of each calendar quarter. Gross Revenue settlement sheets and/or a statement setting forth calculations in sufficient detail to show the payment's derivation (the "Quarterly Statement") shall be submitted with the payment.

**3. BOOKS; RECORDS; INSPECTIONS**

- 3.1. The Optionee shall keep true and accurate books and records of all of its operations and activities with respect to the Property, the Mining Claims and its operations, prepared in accordance with Canadian generally accepted accounting principles, consistently applied.
- 3.2. The Optionor may, from time to time and at its own expense, perform audits or other examinations of all of the books and records of the Optionee to confirm Gross Royalty calculations in compliance with the terms of this Agreement.
- 3.3. Within thirty (30) days following the end of each calendar year the Optionee shall provide the Optionor with a summary of the payments for the previous year in sufficient detail to show the payments' derivation (the "Annual

**Statement").** All Gross Royalty payments will be considered final and in full satisfaction of all obligations of the Optionee with respect thereto, unless the Optionor delivers to the Optionee a written notice (the "**Objection Notice**") describing and setting forth a specific objection to the calculation thereof within sixty (60) days after receipt by the Optionor of the Annual Statement. If the Optionor objects to a particular Statement as herein provided, the Optionor will, for a period of sixty (60) days after the Optionee's receipt of such Objection Notice, have the right, upon reasonable notice and at reasonable times, to have the Optionee's accounts and records relating to the calculation of the payment in question audited by the auditors of the Optionee (the "**Audit**") provided that, if the Optionor objects to the results of the Audit, the Optionor shall have the right to engage a qualified auditor at the Optionor's cost to conduct a second audit (the "**Optionor's Audit**"). In the event of a conflict between the results of the Audit and the Optionor's Audit which cannot be resolved by the parties, either party may refer the matter to dispute resolution in accordance with Section 25 and Schedule "B" of the Agreement.

- 3.4. If through the audit process contemplated in section 3.2 or 3.3 above, it is determined that there has been a deficiency or an excess in the payment made to the Optionor, such deficiency or excess will be resolved by adjusting the next quarterly Gross Royalty payment due hereunder to satisfy the same. The Optionor will pay all the costs and expenses of such audit unless a deficiency of greater than \$5,000 is determined to exist. The Optionee will pay the cost and expenses of such audit if a deficiency of greater than \$5,000 is determined to exist. All books and records used and kept by the Optionee to calculate the gross royalty interest due hereunder will be kept in accordance with Canadian generally accepted accounting principles.
- 3.5. Within sixty (60) days following the end of each calendar year, the Optionee shall provide the Optionor with an annual report of minerals other than diamonds produced from the Property during such calendar year. Such annual report shall include estimates of anticipated production from and estimated remaining mineral reserves on the Property for the succeeding calendar year and any changes to, or replacements of, the mining plan or any "life of mine plan" with respect to the Property. The Optionee shall provide the Optionor with a copy of any "life of mine plan", if produced, within thirty (30) days of its approval by them, and any changes to, or replacements of, any such "life of mine plan" or any mine plan within thirty (30) days after such change or replacement thereof.
- 3.6. From time to time on not less than five (5) business days' notice to the Optionee, the Optionor, or its authorized agents or representatives, may, under supervision of the Optionee, enter upon all surface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon and all production records and data pertaining to all production activities and operations on or with respect to the Property,

including without limitation, records and data that are electronically maintained.

#### **4. NATURE OF INTEREST**

- 4.1. It is the intent of the parties hereto that the Gross Royalty shall constitute a covenant and interest in the land running with the Property and the Mining Claims and all successions thereof or leases or other tenures which may replace them, whether created privately or through governmental action, and including, without limitation, any leasehold interest. If any right, power or interest of any party under the Leadbetter Crown Land Property Option Agreement would violate the rule against perpetuities, then such right, power, interest shall terminate at the expiration of twenty (20) years after the death of the last survivor of all of the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

Execution Copy

**SCHEDULE 1**

## SCHEDULE 1

## "LEADBETTER OPTION AGREEMENT"

## PROPERTY OPTION AGREEMENT

(Chabanel Township Properties)

THIS AGREEMENT made and entered into as of the 15<sup>th</sup> day of December, 2004;

AMONG:

DIANOR RESOURCES INC.,  
 having a place of business at  
 730, 4e Avenue, Val D'Or, Quebec, J9P 1J2

Optionee

And:

3814793 CANADA INC.,  
 having a place of business at  
 P.O. Box 97, Wawa, Ontario P0S 1K0,  
 herein acting and duly represented for the purposes hereof  
 by its President,  
 PAULETTE A. MOUSSEAU-LEADBETTER

and

PAULETTE A. MOUSSEAU-LEADBETTER  
 in her personal capacity.

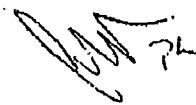
Optioners

The Parties Declare as Follows:

WHEREAS the Optioners are the recorded owners of nineteen Crown Land mining claims (the "Mining Claims") situated in Chabanel Township in the District of Algoma, more particularly described as 1243318; 1243319, 1243325, 1243332, 1243335, 1243336, 1243363, 1243365, 1243369, 1243373, 1243377, 1243509, 1243510, 1235746, 1235747, 1235754, 1235757, 1235758, and 1235759.

AND WHEREAS the Optionee wishes to enter into an Option Agreement with the Optioners whereby the Optionee purchases an eighty percent (80%) interest in the Mining Claims on the understanding that the Optionee will use commercially reasonable best efforts to bring the Mining Claims into commercial diamond production within eight years of the execution of this Option Agreement.

NOW THEREFORE, for good and valuable consideration (the receipt and sufficiency of which is acknowledged), the Optioners and Optionee agree as follows:



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1 The Optionors represent and warrant to the Optionee that:

- a) They have the full and undisputed power and authority to deal with the Mining Claims as provided for in this Option Agreement;
- b) They are the beneficial and recorded owners of a 100% undivided interest in the Mining Claims, free and clear of any and all royalties, liens, or encumbrances;
- c) The Mining Claims are in good standing with the applicable Government authorities and all taxes have been paid.
- d) No other person has any agreement or option or right capable of becoming an agreement or option for the purchase of the Mining Claims or any portion thereof.

2. The Optionors grant to the Optionee the sole, immediate and irrevocable working right and option with respect to the Mining Claims, for a period of four (4) years from the date of this Option Agreement; and the right to earn an eighty percent (80%) undivided interest in the Mining Claims (the "Option") upon satisfying the terms and conditions herein.

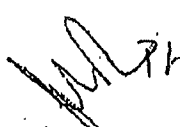
3. In order to maintain and exercise the Option, the Optionee must:

- (a) Make the following payments in money and/or common shares:
  - (i) One million five hundred thousand (1,500,000.00) common shares of Dianor Resources Inc., based on a price of ten cents (10c.) per share, to the Optionors, forthwith upon the execution of this Option Agreement.
  - (ii) One hundred and twenty-five thousand dollars (\$125,000.00) to F. T. Archibald Consulting Ltd. as reimbursement for time and expenditures incurred, within thirty (30) days of the execution of this Option Agreement;
  - (iii) One hundred and fifty thousand dollars (\$150,000.00) to 3814793 Canada Inc., within thirty (30) days of the execution of this Option Agreement.
  - (iv) Forty thousand dollars (\$40,000.00) to 3814793 Canada Inc. for time and expenditures incurred, to be paid within the first six (6) months after the execution of this Option Agreement.




- (v) One hundred thousand dollars (\$100,000.00) to 3814793 Canada Inc. on the six month anniversary of the date of this Option Agreement.
- (vi) Seven hundred and fifty thousand dollars (\$750,000.00) in money and common shares of Dianor Resources Inc. (in such ratio as shall be mutually agreed, but not less than 50% in money) to F.T. Archibald Consulting Ltd. and 3814793 Canada Inc. in equal shares on or before the first anniversary date of this Option Agreement.
- (vii) Seven hundred and fifty thousand dollars (\$750,000.00) in money and common shares of Dianor Resources Inc. (in such ratio as shall be mutually agreed, but not less than 50% in money) to F.T. Archibald Consulting Ltd. and 3814793 Canada Inc. in equal shares on or before the second anniversary date of this Option Agreement.
- (viii) Seven hundred and fifty thousand dollars (\$750,000.00) in money and common shares of Dianor Resources Inc. (in such ratio as shall be mutually agreed, but not less than 50% in money) to F.T. Archibald Consulting Ltd. and 3814793 Canada Inc. in equal shares on or before the third anniversary date of this Option Agreement.
- (ix) Seven hundred and fifty thousand dollars (\$750,000.00) in money and common shares of Dianor Resources Inc. (in such ratio as shall be mutually agreed, but not less than 50% in money) to 3814793 Canada Inc. on or before the fourth anniversary date of this Option Agreement.


(b) Incur the following Expenditures:

- (i) Expenditures of at least five million dollars (\$5,000,000.00) in direct property expenditures for exploration and evaluation work (the "Expenditures") on or before the fourth anniversary of the date of this Option Agreement.
  - (ii) Expenditures, including the Expenditures referred to above, of at least \$10,000,000 to bring the Mining Claims into commercial production, on or before the eighth anniversary of the date of this Option Agreement.
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4. The Optionee and the Optionors acknowledge and agree that common shares issued pursuant to this Option Agreement shall be free trading shares in Dianor Resources Inc. subject only to such restrictions on resale as may be imposed by applicable securities legislation. The Optionee makes no representation with respect to the future market value of such shares. However, it is expressly acknowledged and agreed that the payment provisions in paragraph 3 are based on an assumed share value of at least ten cents (10c) per share and in the event that the share value falls below this value the number of shares to be issued in satisfaction of the provisions of paragraph 3 shall be adjusted accordingly. In all cases the value assigned to the shares delivered pursuant to the provisions of paragraph 3 shall be the weighted average value recorded on the TSX Venture Exchange or other exchange during the twenty (20) days immediately preceding the date of delivery. It is further acknowledged and agreed that if Dianor Resources Inc. becomes delisted or otherwise ceases active trading for six (6) months, before the Optionee has completed all payments of money and delivery of shares required by paragraph 3, or within ninety (90) days thereof, this Option Agreement shall be terminated forthwith.
5. Once the Optionee has delivered the one million five hundred thousand (1,500,000) common shares in Dianor Resources Inc. and paid the two hundred and seventy thousand dollars (\$275,000.00) required by paragraphs 3(a) (i), (ii) and (iii), the Optionors shall deliver to the Optionee all relevant data and results pertaining to the Mining Claims as may be in their possession or control.
6. If the Optionee has, on or before the fourth anniversary date of this Option Agreement, made the payments in money and shares, required by paragraph 3(a), equivalent to \$3,565,000.00 and incurred the Expenditures referred to in paragraph 3(b)(i), in the amount of \$5,000,000.00, the Optionee shall have the right to an eighty percent (80%) undivided interest in the Mining Claims, subject to the provisions of this Option Agreement; and the title to the Mining Claims shall be recorded and/or registered in each of the names of the Optionee and Optionors as to their respective undivided interests as tenants in common.
7. Once the Optionee becomes the owner of an eighty percent (80%) undivided interest in the Mining Claims, the Optionors shall retain a twenty percent (20%) undivided interest in the Mining Claims which shall be in the form of a Gross Overriding Royalty ("GOR"), calculated in accordance with Schedule "A". The Optionee shall have the right of first refusal to purchase the Optionors twenty percent (20%) interest.
8. It is expressly agreed that all diamonds found on the Mining Claims prior to the Optionee becoming the owner of an eighty percent (80%) interest in the Mining Claims shall be the exclusive property of the Optionors, with the exception of all diamonds recovered from bulk samples exceeding 10,000 tonnes which shall be the exclusive property of the Optionee, subject only to the GOR pursuant to paragraph 7, above.
9. The Optionee shall indemnify and save the Optionors harmless from all losses, liabilities, claims, demands and so forth, as may in any way arise out of the Optionee's operations and activities on the Mining Claims.
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10. The Optionee shall form a Management Committee consisting of three representatives of the Optionee and two representatives of the Optionors. The purpose of the Management Committee will be to direct the operations, to approve work programs and budgets, and to decide the strategy and direction of the development of the Mining Claims. However, the Optionee shall be solely responsible for carrying on all operations and activities required to explore and develop the Mining Claims pursuant to this Option Agreement and will ensure that all work is done in a professional manner, respectful of local culture and traditions and in full compliance with all rules, regulations and laws governing such activities in the Province of Ontario.
11. The Optionee agrees that it will enter into a consulting services agreement with Fred Archibald or F.T. Archibald Consulting Ltd. with respect to geological and other exploration matters on the Mining Claims, on terms to be agreed, which shall continue for until the Optionee obtains an eighty percent (80%) interest in the Mining Claims, provided that the consulting services agreement may be extended beyond that date by mutual agreement.
12. The Optionee shall provide to the Optionors periodic progress reports of its exploration and development activities sufficient to keep the Optionors informed of the activities conducted on the property, including data and results of exploration, assessment and assay. The Optionee agrees that the Optionors shall have unrestricted access to the Mining Claims and all related activities, provided that the Optionors shall not interfere with operations and activities being carried out pursuant to this Option Agreement. The Optionee further agrees that Joseph Leadbetter shall be allowed to continue to explore and prospect the Mining Claims on behalf of the Optionors, until such time as commercial production has commenced, provided that he provides the Optionee any and all discoveries/information pertaining to diamonds.
13. The Optionee shall carry out sufficient exploration or assessment work on each of the Mining Claims to keep them in good standing and file assessment work report(s) with the Mining Recorder's office in Wawa, Ontario, as required by law; and shall further pay all taxes, assessments and other charges lawfully levied or assessed against the Mining Claims. The necessary exploration or assessment work will be applied at least one year in advance of the claim anniversary date. Notwithstanding this provision, the Mining Claims 1235746, 1235757 and 1235759 will have assessment work applied by the Optionors prior to their expiry on November 22, 2004.
14. Any and all claims staked for diamonds by or on behalf of the Optionors in Chabanel Township in the District of Algoma shall be subject to this Option Agreement at the election of the Optionee, provided that the Optionee shall forthwith upon making such election reimburse the Optionors for all expenses incurred in exploration and staking of such further claims, as the case may be. It is expressly acknowledged and agreed that this provision and this Option Agreement does not apply to the patented land described as:
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Roll #	Claim #	Parcel #	Acreage
00001714500	SSM 17358	3179 AWS	39.10
00001714000	SSM 17359	3179 AWS	43.57
000017137800	SSM 17360	3179 AWS	31.17
00001712900	SSM 21168	148 Mich	50.28
00001714300	SSM 17334	3178 AWS	25.54
000017114200	SSM 17335	3176 AWS	26.87
000017113600	SSM 17362	3179 AWS	26.40
00001713300	SSM 17361	3179 AWS	30.87
00001713400	SSM 17337	3178 AWS	29.57
00001704100	SSM 17341	3178 AWS	43.21
00001704000	SSM 17342	3178 AWS	50.69
00001704300	SSM 17343	3178 AWS	54.28
00001704200	SSM 17340	3178 AWS	38.36
00001705100	SSM 17339	3178 AWS	25.89
00001705200	SSM 17338	3178 AWS	29.91
00001705900	SSM 18637	39 MICH	21.45
00001706000	SSM 23011	48 MICH	23.76
00001706200	SSM 18638	40 MICH	18.44
00001706100	SSM 23012	49 MICH	15.57
00001706800	SSM 18639	41 MICH	33.96
00001706900	SSM 18640	42 MICH	25.82
00001707000	SSM 18641	43 MICH	32.39
00001707200	SSM 18642	44 MICH	20.17
00001708000	SSM 18644	46 MICH	35.99
00001708700	SSM 18645	47 MICH	35.82
00001712700	SSM 23544	156 MICH	33.43

00001712600	SSM 23543	147 MICH	36.36
00001712800	SSM 21166	144 MICH	39.53
00001712500	SSM 21167	142 MICH	42.63
00001712000	SSM 22722	225 MICH	63.40
00001712100	SSM 22721	220 MICH	58.18
00001707900	SSM 18643	45 MICH	24.95
00001711900	SSM 22718	207 MICH	31.11
00001711200	SSM 22874	150 MICH	18.91 ...
00001711300	SSM 13687	153 MICH	28.65
00001711100	SSM 22719	208 MICH	16.24
00001711000	SSM 13686	187 MICH	36.91
00001710400	SSM 22945	196 MICH	37.63
00001710500	SSM 13683	229 MICH	61.12
00001710300	SSM 22946	195 MICH	36.77
00001710200	SSM 22714	182 MICH	42.93
00001713500	SSM 17336	3178 AWS	27.41
00001713200	SSM 17650	3176 AWS	26.53
00001714400	SSM 17333	3178 AWS	23.82
00001714100	SSM 17363	3179 AWS	22.49
00001712400	SSM 21169	143 AWS	51.72
00001711800	SSM 22726	212 MICH	27.11

presently owned by Algoma Steel Incorporated, which are the subject of an Agreement of Purchase and Sale in favour of the Optionors. The Optionors agree, however, that they shall give the Optionee the first opportunity to negotiate an option agreement to develop the commercial diamond prospects of these properties and a right of first refusal with respect to any third party offers.

15. The Optionee may terminate this Option Agreement at any time by notifying the Optionors of its intention by registered mail. In the event the Optionee elects to terminate the Option Agreement before the second anniversary of the date of this Option Agreement, it shall

*Handwritten signature/initials*

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forthwith pay to the Optionors all outstanding money and shares as are stipulated in the provisions of paragraph 3(a)(i) to (v), such that the total payment to the Optionors even in the event of termination shall be not less than one million one hundred and sixty five thousand dollars (\$1,165,000.00) and two million two hundred and twenty five thousand (2,225,000) common shares in Dianor Resources Inc.

16. In the event this Option Agreement is terminated prior to the Optionee becoming the owner of an eighty percent (80%) interest in the Mining Claims, the Optionee shall forthwith release such interest it may have in the Mining Claims and execute such documents as may be necessary to convey such interest back to the Optionors and return to the Optionors all data, samples, reports and other material relative to the diamond prospects of the Mining Claims.

17. Neither party shall be liable for damages caused by delay or failure to perform its obligations under this Agreement where such delay or failure is caused by an event beyond its reasonable control. The Parties agree that an event shall not be considered beyond one's reasonable control if a reasonable business person applying due diligence in the same or similar circumstances under the same or similar obligations as those contained in this Agreement would have put in place contingency plans to either materially mitigate or negate the effects of such event. Without limiting the generality of the foregoing, the parties agree that Force Majeure events shall include acts of God and natural disasters, acts of war, insurrection and terrorism and threatened acts of terrorism. If a Party seeks to excuse itself from its obligations under this Agreement due to a Force Majeure event, that Party shall immediately notify the other Party of the delay or non-performance, the reason of such delay or non-performance and the anticipated period of delay or non-performance.

18. The Optionee may assign any of its rights or obligations under this Agreement without the prior written consent of the Optionors, provided that if such assignment occurs within the first four years of the Option Agreement, the Optionee shall remain liable for the payments stipulated in paragraph 3 above.

19. The Optionee and Optionors agree that this Option Agreement:

- a) Constitutes and sets forth the entire agreement between the parties and any persons who have in the past or who are now representing either of the parties;
- b) Supersedes all prior understandings and communications between the parties, or any of them, oral or written; and
- c) Shall be governed by the laws of Ontario and Canada, as may be applicable, and the parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario.

Provided however, that each party acknowledges that it shall execute, acknowledge and deliver all such further acts, assignments and assurances as may be reasonably required from time to time, to consummate the transactions contemplated by this Option Agreement.

20. The invalidity of any particular provision of this Option Agreement, save and except for paragraph 3, shall not affect any other provision and this Option Agreement shall be construed as if any such invalidated provision were omitted.

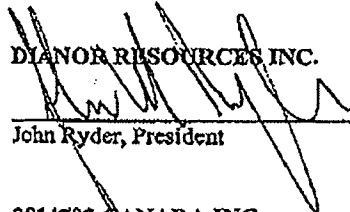
21. The parties agree that the language of this Option Agreement and any notices or documents related thereto shall be English; that they are entering into this transaction in good faith; that all dollar amounts are in lawful currency of Canada; and time shall be of the essence.

22. All information and data concerning the exploration and/or development of the Mining Claims shall be kept confidential and, except to the extent required by law, regulation or policy of any Securities Commission or Stock Exchange, or in connection with the filing of an annual information form, a prospectus or statement of material fact by any party or any of its affiliate, or for any purpose specifically contemplated by this Option Agreement, shall not be disclosed to any third party without the prior consent of the Optionee and the Optionors, which consent shall not unreasonably be withheld.

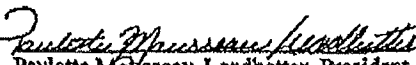
23. Each party acknowledges that this Option Agreement is entered into after full investigation and no party is relying on any statement or representation made by any other which is not embodied in this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

DIANOR RESOURCES INC.

  
John Ryder, President

3814793 CANADA INC.

  
Paulette Mousseau-Leadbetter, President

PAULETTE MOUSSEAU-LEADBETTER

  
Paulette Mousseau-Leadbetter

## SCHEDULE "A" - GROSS OVERRIDING ROYALTY

1. Pursuant to Section 7 of the Option Agreement to which this Schedule is attached, Optionors are entitled to a royalty equal to twenty percent (20%) of all Gross Overriding Royalties ("GOR") from the Average Appraised Value (as described below) of all diamonds (the "Diamonds") recovered, sorted and graded by Optionee or any other operator (the "Operator") from the Mining Claims as described in the Option Agreement (the "Mining Claims"), free and clear of all costs of development and operations.
2. The expression "Average Appraised Value" shall mean the average of the valuations in Canadian dollars of the Diamonds determined by two independent graders, one appointed by the Optionee and one appointed by Optionors. Such independent graders shall be duly qualified and accredited, and shall sort, grade and value the Diamonds in accordance with industry standards, having regard to, but without limiting the generality of the foregoing, the commercial demand for the Diamonds. Each independent valuator shall value each particular classification of the Diamonds in accordance with the industry price books, standards and formulas. The parties acknowledge that the intention is that the GOR royalty be paid to the Optionors on this basis, regardless of the price or proceeds actually received by the Operator for or in connection with the Diamonds or the manner in which a sale of the Diamonds to a third party is made, and without deduction.
3. Payment of the GOR royalty shall be calculated and made quarterly within ninety (90) days after the end of each fiscal quarter of the Operator, based on all diamonds recovered from the Mining Claims that were graded in such quarter.
4. The Optionors shall not be entitled to further participate in the profits or be obligated to share in any losses generated by the Operator's actual marketing or sales practices once the GOR is paid.
5. The Optionors shall, at their election, have the right to take their GOR royalty in kind or cash, as it may pertain to the Diamonds, in whole or in part.



**SCHEDULE 2**

## SCHEDULE 2

## "LEADBETTER OPTION AMENDING AGREEMENT"

Page -1-

## AMENDMENTS TO PROPERTY OPTION AGREEMENTS

(Chabanel Township Properties)

DATED

DECEMBER 15<sup>th</sup> 2004 & FEBRUARY 23<sup>rd</sup> 2005

AMONG:

DIANOR RESOURCES INC.,

And:

3814793 CANADA INC.,

And:

FAULETTE A. MOUSSEAU-LEADBETTER

And:

JOHN JOSEPH LEADBETTER

And:

DIAMOND LAKE MINING LTD.



JULY 30<sup>th</sup> 2005**AMMENDMENTS TO PROPERTY OPTION AGREEMENTS****(Chabanel Township Properties)****THIS AGREEMENT** made and entered into as of the                      day of                      , 2005;**AMONG:****DIANOR RESOURCES INC.,**  
having a place of business at  
649, 3rd Avenue, Val D'Or, Quebec, J9P 1S7**Optionee****And:****3814793 CANADA INC.,**  
having a place of business at  
P.O. Box 97, Wawa, Ontario P0S 1K0,  
herein acting and duly represented for the purposes hereof  
by its President,  
**PAULETTE A. MOUSSEAU-LEADBETTER****and****PAULETTE A. MOUSSEAU-LEADBETTER**  
in her personal capacity.**Optionors****And:****JOHN JOSEPH LEADBETTER**  
in his personal capacity

And:

**DIAMOND LAKE MINING LTD.**  
having a place of business at  
P.O. Box 97, Wawa, Ontario P0S 1K0,  
herein acting and duly represented for the purposes hereof  
by its President,  
**PAULETTE A. MOUSSEAU-LEADBETTER**

**The Parties Declare as Follows:**

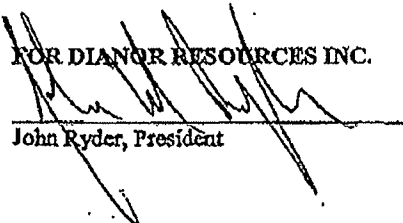
WHEREAS the Optionors and Optionee wish to make amendments to the two Property Option Agreements (Agreements) and other matters entered into by the parties on December 15<sup>th</sup> 2004 and February 23<sup>rd</sup> 2005 concerning the nineteen Crown Land unpatented mining claims and the forty nine patented mining claims (the "Mining Claims") situated in Chabanel Township in the District of Algoma, Ontario, and certain other agreements, the parties now agree:

1. To consolidate the date that the annual cash and share payments are to be made by the Optionee, as outlined in Section 3(a) in both Agreements. The new payment date will be January 15<sup>th</sup> of each year and will continue until all payments are made to satisfy the terms and conditions of the agreements as in sections 2 and 3 (a) of both Agreements. The first payments under this amended agreement are to commence on January 15<sup>th</sup> 2006. Currently two different payment dates are outlined, namely, the December 15<sup>th</sup> and February 23<sup>rd</sup> Agreement Signing Anniversary dates.
2. To delete and replace the last sentence of Section 8 of the Agreement dated February 23<sup>rd</sup> 2005 with "*In addition, the Optionor grants the Optionee rights to all the non-diamond minerals and metals, excluding sand and gravel, on the Patented Lands, subject to the payment of one and one half percent (1.5%) gross royalty on any such non-diamond mineral and metal production from the Patented Lands*"
3. To allow John Joseph Leadbetter to assign all of his rights, title and interest in his excavation contract agreement dated December 16th 2004 to Diamond Lake Mining Ltd., effective January 1<sup>st</sup> 2005 on the condition that Diamond Lake Mining Ltd. retain the services of Mr. Leadbetter and they (Diamond Lake Mining Inc.) assume and accept all the terms, conditions and liabilities as set out in the original excavation agreement. Diamond Lake Mining Ltd. hereby agrees to assume and accept all the terms, conditions and liabilities as set out in the original excavation agreement and agrees to retain the services of Mr. Leadbetter. In the event that Mr. Leadbetter is no longer in the employ of Diamond Lake Mining Ltd., then all his rights, title and interest in his excavation contract will revert back to Mr. Leadbetter and the Optionee will only respect the excavation contract with John Joseph Leadbetter.

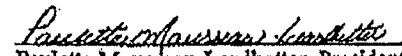
4. To allow John Joseph Leadbetter to assign all of his rights, title and interest in his prospecting contract agreement dated December 16th 2004 to Diamond Lake Mining Ltd. effective January 1<sup>st</sup> 2005 on the condition that Diamond Lake Mining Ltd. retain the services of Mr. Leadbetter and they (Diamond Lake Mining Ltd.) assume and accept all the terms, conditions and liabilities as set out in the original prospecting agreement. Diamond Lake Mining Ltd. hereby agrees to assume and accept all the terms, conditions and liabilities as set out in the original prospecting agreement and agrees to retain the services of Mr. Leadbetter. In the event that Mr. Leadbetter is no longer in the employ of Diamond Lake Mining Inc., then all his rights, title and interest in his prospecting contract will revert back to Mr. Leadbetter and the Optionee will only respect the prospecting contract with John Joseph Leadbetter.
5. To correct an error in Schedule "A" - GROSS OVERRIDING ROYALTY accompanying the Patented Lands Option Agreement dated February 23<sup>rd</sup> 2005. Section 1. of Schedule "A" is hereby amended to read "Pursuant to Section 7 of the Option Agreement to which this Schedule is attached, Optionors are entitled to a royalty equal to thirty percent (30%) of all Gross Overriding Royalties ("GOR") from the Average Appraised Value (as described below) of all diamonds (the "Diamonds") recovered, sorted and graded by Optionee or any other operator (the "Operator") from the Mining Claims as described in the Option Agreement (the "Patented Lands"), free and clear of all costs of development and operations"

IN WITNESS WHEREOF the parties hereto have executed these amendments as of the date first written above.

FOR DIAMOR RESOURCES INC.

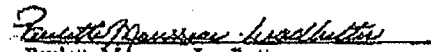
  
John Ryder, President

FOR 3814793 CANADA INC.

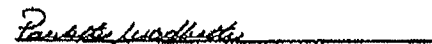
  
Paulette Mousseau-Leadbetter, President  
*President*

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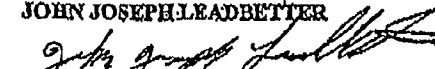
PAULETTE MOUSSEAU-LEADBETTER

  
Paulette Mousseau-Leadbetter

FOR DIAMOND LAKE MINING LTD.

  
Paulette Mousseau-Leadbetter

JOHN JOSEPH LEADBETTER

  
John Joseph Leadbetter

**SCHEDULE 3**

## SCHEDULE 3

## "NON-DIAMOND MINERAL RIGHTS AGREEMENT"

Page -1-

## AMMENDMENT TO PROPERTY OPTION AGREEMENT

(Chabanel Township Properties)

THIS AMMENDMENT made and entered into as of the                      day of                      , 2004;

## AMONG:

**DIANOR RESOURCES INC.,**  
 having a place of business at  
 730, 4e Avenue, Val D'Or, Quebec, J9P 1J2

## Optionee

## And:

**3814793 CANADA INC.,**  
 having a place of business at  
 P.O. Box 97, Wawa, Ontario P0S 1K0,  
 herein acting and duly represented for the purposes hereof  
 by its President,  
**PAULETTE A. MOUSSEAU-LEADBETTER**

and

**PAULETTE A. MOUSSEAU-LEADBETTER**  
 in her personal capacity.

## Optioners

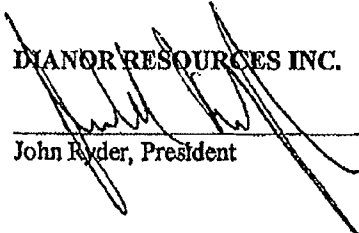
The Parties Declare as Follows:

WHEREAS the Optionors are the recorded owners of nineteen Crown Land mining claims (the "Mining Claims") situated in Chabanel Township in the District of Algoma, more particularly described as 1243318; 1243319, 1243325, 1243332, 1243335, 1243336, 1243363, 1243365, 1243369, 1243373, 1243377, 1243509, 1243510, 1235746, 1235747, 1235754, 1235757, 1235758, and 1235759.

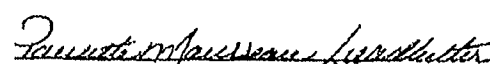
AND WHEREAS the Optionee has entered into an Option Agreement with the Optionors whereby the Optionee purchases an eighty percent (80%) interest in the Mining Claims. The Optionors now grants the Optionee the non-diamond mineral rights, excluding sand and gravel, for a one and a half percent (1.5%) gross royalty on any and all non-diamond commercial production from the claims described above subject to the terms and conditions of the original agreement signed December 15<sup>th</sup> 2004.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.


DIANOR RESOURCES INC.

  
John Ryder, President

3814793 CANADA INC.

  
Paulette Mousseau-Leadbetter, President

PAULETTE MOUSSEAU-LEADBETTER

  
Paulette Mousseau-Leadbetter

Execution Copy

**SCHEDULE 4**

HBdocs - 4797966v6





# Tab E

This is **Exhibit "E"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.



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A COMMISSIONER FOR TAKING AFFIDAVITS

Shaan N. By

Execution Copy

**AMENDMENT TO LEADBETTER PROPERTY OPTION AGREEMENT  
[PATENTED LAND]**

This Agreement made and entered into as of the 25<sup>th</sup> day of August, 2008 among:

DIANOR RESOURCES INC., having a place of business  
at 649 Third Avenue, Val D'Or, Quebec J9P 1S7 (herein  
"Dianor" or the "Optionee")

and

3814793 CANADA INC., having a place of business at P.O.  
Box 97, Wawa, Ontario POS 1K0, herein acting and duly  
represented for the purposes hereof by its President,  
Joseph Leadbetter

and

PAULETTE A. MOUSSEAU-LEADBETTER, in her  
personal capacity (together with 3814793 Canada Inc.,  
the "Optionors")

**WHEREAS** the parties hereto are parties to an agreement dated February 23, 2005 (the "Patented Lands Option Agreement"), attached as Schedule 1, as amended by agreement dated July 30, 2005 (the "Patented Lands Option Amending Agreement") attached as Schedule 2, with respect to 49 Patented Mining Claims (the "Mining Claims") situated in Chabanel Township in the District of Algoma, Province of Ontario;

**AND WHEREAS** the parties hereto are parties to an undated agreement (the "Non-Diamond Mineral Rights Agreement") attached hereto as Schedule 3;

**AND WHEREAS** the parties hereto are also parties to an agreement dated March 30, 2007 (the "Ten Percent Purchase Agreement") attached hereto as Schedule 4;

**AND WHEREAS** the Patented Lands Option Agreement, Patented Lands Option Amending Agreement, Non-Diamond Mineral Rights Agreement and Ten Per Cent Purchase Agreement are all hereinafter collectively referred to as the "Leadbetter Patented Land Property Agreements";

**AND WHEREAS** the parties hereto wish to further amend the Leadbetter Patented Lands Property Agreements;

**NOW THEREFORE** this Agreement witnesseth that in consideration of the sum of One Dollar (\$1.00) and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Terms capitalized in this Agreement that are not defined herein have the same meaning as ascribed to them in the Leadbetter Patented Lands Property Agreements, unless the context otherwise requires. In addition, the following term shall have the following meaning:

- (a) "Property" means the area which is within the boundaries of the Patented Lands.
2. Section 2 of the Patented Lands Option Agreement is hereby amended by changing the clause "and the right to earn a seventy percent (70%) undivided interest in the Patented Lands (the 'Option') upon satisfying the terms and conditions herein" therein to "and the right to earn a one hundred percent (100%) undivided interest (the 'Option') in the Patented Lands upon satisfying the terms and conditions herein, with the Optionor retaining a twenty percent (20%) gross overriding royalty (GOR) for diamonds and a one and a half percent (1.5%) gross overriding royalty for all other metals and minerals, it being agreed that it is the intention of the parties that the Optionee shall be responsible for the payment of a gross overriding royalty (GOR) of ten percent (10%) for all minerals in favour of Algoma Steel in place of and in the stead of the Optionor."
  3. Section 3(a)(vii) of the Patented Lands Option Agreement is hereby amended by deleting the clause "which sand and gravel deposits shall remain the property of the Optionor" from the said section.
  4. Section 3(b)(ii) of the of the Patented Lands Option Agreement is hereby amended so as to read as follows:

"Expenditures, including the Expenditures referred to above, of at least ten million dollars (\$10,000,000) on or before the eighth anniversary of the date of this Option Agreement."
  5. Section 6 of the Patented Lands Option Agreement is hereby amended by changing the clause "the right to a seventy percent (70%) undivided interest in the Patented Lands" therein to "the right to a one hundred percent (100%) undivided interest in the Patented Lands".
  6. Section 7 of the Patented Lands Option Agreement is hereby amended so as to read as follows:

"Once the Optionee becomes the owner of a one hundred percent (100%) undivided interest in the Patented Lands, the Optionors shall retain a twenty percent (20%) Gross Overriding Royalty ('GOR') for diamonds and a one and a half percent (1.5%) gross overriding royalty (GOR) for all other metals and minerals as calculated in accordance with Schedule 'A'. The Optionee shall have the right of first refusal to purchase the Optionors' GOR."
  7. Section 9 of the Patented Lands Option Agreement is hereby amended by changing the clause "an eighty percent (80%) interest" therein to "a one hundred percent (100%) interest".
  8. Section 9 of the Patented Lands Option Agreement is hereby further amended by adding the following at the end thereof:

"Prior to the Optionee becoming the owner of a one hundred percent (100%) interest in the Patented Lands, the Optionee shall provide the Optionor with a detailed accounting of all diamonds recovered from the Patented Lands. These diamonds shall be retained in trust for the Optionor until such time as they have no scientific value or returned to the Optionor in the event that the Optionee decides not to proceed with development, upon completion of by the Optionor of bulk sampling and processing on the Mining Claims or, in any event, by August 25, 2010."

9. Section 10 of the Patented Lands Option Agreement is amended by adding the following at the end thereof:

"The Optionee agrees to indemnify and save harmless the Optionors, their successors, heirs and assigns, as the case may be, from any loss, cost or liability (including, without limitation, reasonable legal fees) arising from a claim against the Optionors in respect of any failure by the Optionee to at all times comply with all applicable present or future federal, provincial, territorial and local laws, statutes, rules, regulations, permits, ordinances, certificates, licences and other regulatory requirements, policies and guidelines relating to the Optionee, the Patented Lands or the Property; provided, however, that the Optionee shall have the right to contest any of the same if such contest does not jeopardize the Property, the Patented Lands or the Optionors' rights thereto or under this Agreement. Without limiting the foregoing, the Optionee agrees to indemnify and save harmless the Optionors, their successors, heirs and assigns, as the case may be, from any loss, cost or liability (including, without limitation, reasonable legal fees) arising from a claim against the Optionors in respect of:

- (a) any failure by the Optionee to timely and fully perform all abandonment, restoration, remediation and reclamation activities required by all governmental authorities pertaining or related to the operations or activities of the Optionee on or with respect to the Property, the Mining Claims or required under this Agreement; or
- (b) the Optionee causing, suffering, or permitting any condition or activity at, on or in the vicinity of the Property which constitutes a nuisance.

This section 10 shall remain in effect until such time as the Optionee obtains a one hundred percent (100%) ownership interest in the Mining Claims."

10. Section 11 of the Patented Lands Option Agreement is amended by adding the following at the end thereof:

"In addition, the parties agree that:

- (a) Meetings of the Management Committee will be held at quarterly intervals or at such other intervals as the parties may agree in Sault Ste. Marie, Ontario or at such other place as the parties may agree from time to time.
- (b) Notice of each meeting of the Management Committee must be given to the Optionors by the Optionee at least twenty-one (21) days prior to the proposed meeting date, which notice must be accompanied by a copy of the agenda therefor together with all supporting materials.
- (c) All decisions of the Management Committee will be determined by a vote of simple majority of the members present, provided that no meeting of the Management Committee will transact any business unless a quorum is present. The quorum for each meeting will be at least one representative of the Optionors and one of the Optionee; provided that if a quorum is not present within thirty (30) minutes of the time appointed for the commencement of a Management Committee meeting, the meeting will stand adjourned to the same day and time of the next week at the same place and, at any such adjourned meeting, those present will be deemed to constitute a quorum.
- (d) In October of each year the Optionee will prepare and deliver to the Optionors a draft annual program and budget and three year plan for the next financial year. In November of each year, the Management Committee shall meet to consider, discuss in good faith and approve, with or without amendment, the draft annual program and budget and three year plan for the next financial year.
- (e) Minutes of each meeting of the Management Committee shall be kept by the Optionee. The minutes need not be a verbatim record of all proceedings, but must record at least the names of the representatives present, all motions and resolutions offered or acted upon, a record of the vote and the result of the vote. Copies of the draft minutes of each Management Committee meeting shall be distributed to each committee member within fourteen (14) days after the meeting.

This section 11 shall remain in effect until such time as the Optionee obtains a one hundred percent (100%) ownership interest in the Mining Claims."

11. Section 12 of the Patented Lands Option Agreement is hereby amended by deleting the first sentence thereof and replacing it with the following:

"The Optionee shall provide to the Optionors periodic progress reports, on at least a quarterly basis, disclosing all exploration and development activities on the Patented Lands."

12. Section 14 of the Patented Lands Option Agreement is hereby amended by adding the following at the end thereof:

"Once the Optionee has earned an interest in the Patented Lands, the Optionee shall have the right to abandon, surrender, allow to lapse, reduce the area of or otherwise deal with any part or parts of its interest in the Patented Lands as it may determine do not warrant the expenditure of additional funds, provided that the Optionee shall give to the Optionors not less than one hundred eighty (180) days notice of its intention to do so and shall, if requested by the Optionors by notice to the Optionee within that period of time, deliver to the Optionors duly-executed transfers of its interest in such or part or parts thereof. If the Optionee or any person with whom the Optionee does not deal at arm's length restakes any expired claims or leases relating to or comprising the Patented mining claims, this Agreement shall include any such new claims.

This section 14 shall remain in effect until such time as the Optionee obtains a one hundred percent (100%) ownership interest in the Patented Lands."

13. Section 16 of the Patented Lands Option Agreement is hereby amended by changing the clause "an eighty percent (80%) interest" therein to "a one hundred percent (100%) interest".
14. Section 16 of the Patented Lands Option Agreement is hereby further amended by adding the following at the end thereof:

"If the Optionee fails to make the expenditures referred to in section 3(b)(ii) by December 15, 2012 then any and all mining rights that the Optionee has acquired in the Patented Lands pursuant to this Agreement shall be forfeited and the Optionee shall forthwith execute the documentation necessary to record and register the transfer of the Optionee interest in the Patented Lands back to the Optionors. The Optionee shall also deliver in a timely manner to the Optionors all data, samples, reports, assays and all other information and material relative to the diamond exploration of the Property carried out by the Optionee to that time."

15. The following sections are added to the Patented Lands Option Agreement:

24. "The Optionee is responsible for the administration and payment of the Algoma Steel ten percent (10%) royalty as applicable to the Patented Lands.



25. The Optionee hereby releases any and all interest it may have in the ten (10) Y claims outlined in attached Schedule "D" and acknowledges the same are owned by 3814793 Canada Inc.
26. The Optionee shall purchase or otherwise arrange at its own expense and shall keep in force at all times insurance (including, without limitation, comprehensive general public liability insurance) against claims for bodily injury or death or property damage arising out of or resulting from activities or operations on or with respect to the Property and in respect of loss, theft or destruction of diamonds, in such amounts as will adequately protect the Optionee, the Optionors, the GOR, and the Property from any and all claims, liabilities and damages which may arise with respect to the Property and as will adequately protect the Optionee and the Optionors from loss, theft and destruction of diamonds and in any event in an amount not less than ten million (\$10,000,000.00). The Optionors shall be named as a loss payee on all property, liability and other insurance policies held by the Optionee relating to the Property, the Mining Claims, the diamonds and the GOR until the Optionee obtains its one hundred percent (100%) ownership in the Patented Lands by final payment on or before January 15<sup>th</sup> 2009.
27. The parties agree that any dispute arising from or in connection with this Agreement or the interpretation, application, operation or performance of the terms of this Agreement shall be governed by the dispute resolution procedures set forth in Schedule "B" attached hereto, which form part of this Agreement, save and except any dispute respecting monetary obligations of the Optionee to the Optionors.
28. For Non-Diamond Mineral Rights the parties agree that the 1.5% gross royalty payable by the Optionee to the Optionor shall be calculated in accordance with the provisions of Schedule "C" attached hereto, which forms part of this Agreement.
29. Each party shall execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the documents and transactions contemplated in this Agreement, in each case at the sole cost and expense of the party requesting such further investment, document or action. The Optionors shall have the right from time to time to register or record notice of this Agreement, any other instruments relating to such agreement, a notice of the GOR, a Notice of the Gross

Royalty and a caution or other title document against the title to the Property, the Patented Lands and the Optionee shall cooperate with such registration or recording and provide its written consent or signature to any documents or things necessary to accomplish such registration or recording."

30. Subject to the approval of the TSX Venture Exchange, which the Optionee will use its best efforts to obtain as soon as possible, the balance of cash and share payments of \$1,500,000 currently due under the Leadbetter Patented Land Property Agreements on January 16, 2009 shall be paid no later than October 31, 2008.
16. Schedule "A" to the Patented Lands Option Agreement is replaced with Schedule "A" which is attached hereto and which forms part of this Agreement.
17. In all other respects, the Leadbetter Patented Lands Property Agreements remain in full force and effect, unamended.

**[Remainder of page intentionally left blank; signatures to follow]**

Execution Copy  
November 27, 2008

8

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

**DIANOR RESOURCES INC.**

per:

John Ryder  
President

**3814793 CANADA INC.**

per:

*Joseph Leadbetter*  
Joseph Leadbetter  
President

**SIGNED, SEALED AND DELIVERED**

In the presence of

Witness *[Signature]*

*Paulette Mousseau-Leadbetter*  
Paulette Mousseau-Leadbetter

**SCHEDULE "A"****Gross Overriding Royalty****1. DEFINITIONS AND INTERPRETATION**

- 1.1. **"Affiliate"** means any corporation which directly or indirectly controls, is controlled by, or is under common control with, a party. The term **"control"** as used in this section means the rights to the exercise of more than 20% of the voting rights attributable to the shares of the controlled corporation.
- 1.2. **"Average Appraised Value"** means the value in Canadian dollars of the Diamonds after they have been cleaned and sorted, determined as provided in sections 2.2 and 2.3 hereof, with no deductions for costs or expenses of any nature or kind.
- 1.3. **"Mining Claims"** means the 49 Patented mining claims described in the Leadbetter Patented Lands Option Agreement.
- 1.4. **"Diamonds"** means all diamonds that are recovered or produced from the Property after the date of this Agreement, excluding any by-products or tailings that remain after the extraction and processing process.
- 1.5. **"Encumbrances"** means any mortgage, charge, pledge, lien, licence, privilege, security interest, royalty or other encumbrance.
- 1.6. **"Gross Overriding Royalty"** or **"GOR"** has the meaning assigned to it in section 2.1 of this Schedule "A".
- 1.7. **"Package of Diamonds"** has the meaning assigned to it in section 2.2 of this Schedule "A".
- 1.8. **"Production Decision"** means a decision by the Optionee to bring the Property or any part of it into the commercial production of diamonds.
- 1.9. **"Property"** means the area which on the date of this Agreement is within the boundaries of the Patented Mining Claims.
- 1.10. **"Royalty Percentage"** means twenty percent (20%) less the percentage interest in the Mining Claims, if any, the Optionors have then acquired pursuant to the Ten Percent Purchase Agreement.
- 1.11. **"Valuator"** has the meaning assigned to it in section 2.2 of this Schedule "A".

**2. ROYALTY**

- 2.1. The Optionors are entitled to a royalty (**"Gross Overriding Royalty"** or **"GOR"**) equal to the Royalty Percentage of the Average Appraised Value of the Diamonds.
- 2.2. The parties agree that the Diamonds shall be sorted, graded and valued at an agreed location not less frequently than once in each calendar quarter (all of

the Diamonds which are valued at a particular time being hereinafter referred to as a "Package of Diamonds"). The "Average Appraised Value" of the Package of Diamonds shall mean the average of the valuations in Canadian dollars of the Package of Diamonds determined by two independent graders, one appointed by the Optionee and one appointed by the Optionors or utilize the valuations and grading by the Ontario Government independent appraiser. The independent graders shall be duly qualified and accredited and shall be independent of the Optionors and the Optionee. The independent graders shall sort, grade and value the Package of Diamonds in accordance with price books, standards and formulas and in accordance with industry standards having regard to, but without limiting the generality of the foregoing, the commercial demand for the Package of Diamonds and their grades, colours, sizes and clarity. Each of the independent valuers shall provide a report in reasonable detail showing his conclusions as to the appraised value of the Package of Diamonds individually and in the aggregate.

- 2.3. The parties acknowledge that the intention is that the GOR be paid to the Optionors on the basis of the Average Appraised Value of the Package of Diamonds multiplied by the then applicable Royalty

Percentage, regardless of the price or proceeds actually received by the Optionee for or in connection with the Package of Diamonds or any of them or the manner in which a sale to a third party is made, and without any deduction for any development, mining or other costs incurred by the Optionee whatsoever. The Optionors shall not be entitled to participate in profits or be obliged to share in any losses generated by the Optionee's marketing or sales of the Diamonds.

- 2.4. The Optionee shall calculate and pay the GOR to the Optionors quarterly within ten days of the end of each calendar quarter (namely March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup>), based on the Packages of Diamonds that were graded in such quarter.
- 2.5. If from time to time the Optionee files a royalty return under the Canada Mining Regulations pertaining in whole or in part to Diamonds, it will concurrently with such filing deliver a copy of the return to the Optionors.
- 2.6. The Optionee will retain possession of each Package of Diamonds at a mutually agreed site and will not sell or otherwise dispose of any such Package of Diamonds or commingle the Diamonds therein with other diamonds unless:
- (a) the Average Appraised Value of the Package of Diamonds has been determined in accordance with sections 2.2 and 2.3; and
  - (b) the Optionee has at the mine site Diamonds with an Average Appraised Value of at least two times the amount of the GOR in respect of the Package of Diamonds or cash equal to two times the amount of the GOR in respect of the Package of Diamonds.

- 2.7. The Optionors shall, at their election, have the right to take their GOR in kind or cash, in whole or in part by notifying the Optionee of their intentions at the beginning of each quarter.

**3. BOOKS; RECORDS; INSPECTIONS**

- 3.1. The Optionee shall keep true and accurate books and records of all of its operations and activities with respect to the Property, the Mining Claims and the Diamonds, prepared in accordance with Canadian generally accepted accounting principles, consistently applied. The Optionee may, from time to time, perform audits or other examinations of all of the books and records to confirm GOR calculations and compliance with the terms of this Agreement. The expenses of any audit or other examination permitted hereunder shall be paid by the Optionors, unless the results of such audit or other examination permitted hereunder disclose a deficiency in respect of the GOR payments paid to the Optionors hereunder greater than \$5,000, in which event the costs of such audit or other examination shall be paid by the Optionee.
- 3.2. Within 60 days following the end of each calendar year, the Optionee shall provide the Optionors with an annual report of Diamonds produced from the Property during such calendar year in reasonable detail including grade, size, colour and clarity. Such annual report shall include estimates of anticipated production from and estimated remaining diamond reserves on the Property for the succeeding calendar year and any changes to, or replacements of, the mine plan or any "life of mine plan" with respect to the Property. The Optionee shall provide the Optionors with a copy of any "life of mine plan", if produced, within 30 days of its approval by them and any changes to, or replacements of, any such "life of mine plan" or any mine plan within 30 days after such change or replacement thereof.
- 3.3. From time to time on not less than five business days' notice to the Optionee, the Optionors, or its authorized agents or representatives, may, under supervision of the Optionee, enter upon all surface and subsurface portions of the Property for the purpose of inspecting the Property, and all production records and data pertaining to all production activities and operations on or with respect to the Property, including without limitation, records and data that are electronically maintained.

**4. NATURE OF INTEREST**

- 4.1. It is the intent of the parties hereto that the GOR shall constitute a covenant and an interest in land running with the Property and the Mining Claims and all successions thereof or leases or other tenures which may replace them, whether created privately or through governmental action, and including, without limitation, any leasehold interest. If any right, power or interest of any party under the Leadbetter Crown Land Property Option Agreement would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of 20 years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

**SCHEDULE "B"****Dispute Resolution Procedures****1.1 Commencement of Process**

Either the Optionors or the Optionee ("**Initiating Party**") may give notice to the other of any dispute arising from or in connection with the interpretation, application, operation or performance of this Agreement, which shall contain the particulars of the matter in dispute, the details of its position and the relevant provisions of this Agreement ("**Dispute Notice**"). The other party ("**Responding Party**") shall reply in writing to the Dispute Notice within ten (10) business days after receiving it, setting out in such reply the details of its response and any other relevant provisions of this Agreement.

**1.2 Amicable Negotiations**

Following the delivery of a reply to a Dispute Notice, the parties shall use all reasonable efforts to resolve the dispute by amicable negotiations and agree to provide, without prejudice, frank, candid and timely disclosure of all relevant facts, information and documents to facilitate these negotiations.

**1.3 Arbitration Proceedings**

If a dispute has not been resolved within five (5) business days following receipt of a Responding Party's reply to a Dispute Notice, the dispute shall be resolved by arbitration as set forth herein. The arbitration proceedings shall be commenced by the Initiating Party giving notice ("**Arbitration Notice**") to the Responding Party, specifying the matter to be arbitrated, the details of its position and requesting arbitration thereof. At the time of service of the Arbitration Notice, the Initiating Party shall also deliver the name and qualifications of its choice of an arbitrator. The Responding Party has the right, exercisable within four (4) business days, to name the second arbitrator or to agree to have the matter heard by the arbitrator named by the Initiating Party. The two (2) arbitrators so named shall within three (3) business days name the third arbitrator who shall be the chairman. Failing agreement within the stipulated time, the third arbitrator shall be appointed in accordance with the *Arbitration Act* (Ontario). If the Responding Party fails to name an arbitrator within the required period, the matter shall be heard by the sole arbitrator named by the Initiating Party. Alternatively, the parties may agree upon an alternative sole arbitrator within the aforementioned seven (7) business day period.

**1.4 Governance of Arbitration**

The following provisions shall govern the arbitration:

- (a) to the extent not inconsistent with this Section 1.4, the arbitrators or arbitrator ("**Board**") shall conduct the arbitration in such a manner as the Board considers appropriate, but each of the parties shall be

treated fairly, even-handedly and shall be given full opportunity to present its case by submitting evidence and making oral submissions;

- (b) each party shall be responsible for its own legal and other expenses related to the arbitration;
- (c) the powers of the Board include but are not limited to:
  - i. controlling or refusing discovery examinations;
  - ii. limiting or extending the extent of document disclosure;
  - iii. requiring early disclosure of intended witnesses and documents;
  - iv. limiting the number of experts or refusing to allow expert evidence;
  - v. requiring the use of an independent single expert to deal with the particular issue or a number of issues;
  - vi. requiring experts to file written reports in place of giving oral testimony;
  - vii. determining when and in what order experts will be heard;
  - viii. setting the dates, times and locations for the arbitration;
  - ix. ordering pre-arbitration meetings or exchange of documents, as required; and
  - x. awarding the costs of the Board in connection with the arbitration, provided that, if it does not and:
    - A. the Board agrees with the position taken by the Optionors, the Optionee shall pay the costs of the Board; or
    - B. the Board agrees with the position taken by the Optionee, the Optionors shall pay the costs of the Board; or
    - C. the Board's decision is divided, the Optionors and the Optionee shall share the Board's costs equally;
- (d) arbitration hearings shall be held in the English language in Wawa, Ontario or such other location as may be agreed upon;
- (e) subject to any adjournment which the Board allows, any arbitration hearing will be continued on successive business days until it is concluded;
- (f) all arbitration hearings shall be in private unless the parties otherwise agree;



- (g) any party may be represented at any arbitration hearing by legal counsel; and
- (h) except to the extent modified by the terms of this Schedule "B", the *Arbitration Act* (Ontario) shall apply.

#### 1.5 Decisions of the Board

##### (a) General

Decisions shall be made by the majority of the Board, or the sole arbitrator if there be only one.

##### (b) Decisions in Writing

The Board shall make its decisions in writing and, unless the parties otherwise agree, will set out reasons for its decisions.

##### (c) Time for Decision

The Board shall send its decisions to the parties as soon as practicable after the conclusion of a hearing, but in any event no later than ten (10) business days thereafter or such longer time as the parties may agree.

##### (d) Decisions Final and Binding

With the exception of errors in law, decisions of the Board shall be final and binding on the parties and shall not be subject to any appeal or review procedure, provided the Board has followed the rules and procedures provided herein in good faith and has proceeded in accordance with the principles of natural justice. Notwithstanding the foregoing, the Board does not have the authority or power to alter, change, amend, modify, waive, add to or delete any of the provisions of this Agreement and the Leadbetter Patented Land Property Agreements and any decision rendered by the Board must be consistent with the terms and conditions of this Agreement and the Leadbetter Patented Land Property Agreements.

#### 1.6 Continuation of Work During Dispute

Notwithstanding that a matter or matters have been referred to the Dispute Resolution Procedures set forth in this Schedule "B", each of the Optionors and Optionee shall, to the extent reasonably possible, continue to perform their obligations under this Agreement without interruption or delay and the continuation of such performance shall in no way amount to a waiver of, or in any way prejudice, the positions taken by the parties in the dispute being arbitrated.

**SCHEDULE "C"****Calculation of Gross Royalty for Non-Diamond Minerals and Metals****1. DEFINITIONS AND INTERPRETATION**

- 1.1. **"Gross Revenue"** means the aggregate of the following amounts received in each quarter:
  - 1.2. the revenue received by the Optionee or any of its Affiliates from arm's length purchasers of all Product;
  - 1.3. the fair market value of all Product sold by the Optionee or any of its Affiliates in such quarter to persons not dealing at arm's length with the Payor; and
  - 1.4. any proceeds of insurance on Product.
- 1.5. **"Products"** means any minerals recovered from the Mining Claims defined in the Leadbetter Option Agreement.
- 1.6. **"Mining Claims"** means the 49 Patented Mining Claims described in the Leadbetter Patented Lands Option Agreement.

**2. ROYALTY**

- 2.1. The royalty interest which shall be payable to the Optionor by the Optionee pursuant to the Non-Diamond Mineral Rights Agreement shall be 1.5% of Gross Revenue, as defined in Section 1.1 of this Schedule "C".
- 2.2. The Gross Royalty will be calculated and paid within ten (10) days after the end of each calendar quarter. Gross Revenue settlement sheets and/or a statement setting forth calculations in sufficient detail to show the payment's derivation (the **"Quarterly Statement"**) shall be submitted with the payment.

**3. BOOKS; RECORDS; INSPECTIONS**

- 3.1. The Optionee shall keep true and accurate books and records of all of its operations and activities with respect to the Property, the Mining Claims and its operations, prepared in accordance with Canadian generally accepted accounting principles, consistently applied.
- 3.2. The Optionor may, from time to time and at its own expense, perform audits or other examinations of all of the books and records of the Optionee to confirm Gross Royalty calculations in compliance with the terms of this Agreement.
- 3.3. Within thirty (30) days following the end of each calendar year the Optionee shall provide the Optionor with a summary of the payments for the previous year in sufficient detail to show the payments' derivation (the **"Annual Statement"**). All Gross Royalty payments will be considered final and in full satisfaction of all obligations of the Optionee with respect thereto, unless the Optionor delivers to the Optionee a written notice (the **"Objection Notice"**)

describing and setting forth a specific objection to the calculation thereof within sixty (60) days after receipt by the Optionor of the Annual Statement. If the Optionor objects to a particular Statement as herein provided, the Optionor will, for a period of sixty (60) days after the Optionee's receipt of such Objection Notice, have the right, upon reasonable notice and at reasonable times, to have the Optionee's accounts and records relating to the calculation of the payment in question audited by the auditors of the Optionee (the "Audit") provided that, if the Optionor objects to the results of the Audit, the Optionor shall have the right to engage a qualified auditor at the Optionor's cost to conduct a second audit (the "Optionor's Audit"). In the event of a conflict between the results of the Audit and the Optionor's Audit which cannot be resolved by the parties, either party may refer the matter to dispute resolution in accordance with Section 25 and Schedule "B" of the Agreement.

- 3.4. If through the audit process contemplated in section 3.2 or 3.3 above, it is determined that there has been a deficiency or an excess in the payment made to the Optionor, such deficiency or excess will be resolved by adjusting the next quarterly Gross Royalty payment due hereunder to satisfy the same. The Optionor will pay all the costs and expenses of such audit unless a deficiency of greater than \$5,000 is determined to exist. The Optionee will pay the cost and expenses of such audit if a deficiency of greater than \$5,000 is determined to exist. All books and records used and kept by the Optionee to calculate the gross royalty interest due hereunder will be kept in accordance with Canadian generally accepted accounting principles.
- 3.5. Within sixty (60) days following the end of each calendar year, the Optionee shall provide the Optionor with an annual report of minerals produced from the Property during such calendar year. Such annual report shall include estimates of anticipated production from and estimated remaining mineral reserves on the Property for the succeeding calendar year and any changes to, or replacements of, the mining plan or any "life of mine plan" with respect to the Property. The Optionee shall provide the Optionor with a copy of any "life of mine plan", if produced, within thirty (30) days of its approval by them, and any changes to, or replacements of, any such "life of mine plan" or any mine plan within thirty (30) days after such change or replacement thereof.
- 3.6. From time to time on not less than five (5) business days' notice to the Optionee, the Optionor, or its authorized agents or representatives, may, under supervision of the Optionee, enter upon all surface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon and all production records and data pertaining to all production activities and operations on or with respect to the Property, including without limitation, records and data that are electronically maintained.

#### 4. NATURE OF INTEREST

- 4.1. It is the intent of the parties hereto that the Gross Royalty shall constitute a covenant and interest in the land running with the Property and the Mining Claims and all successions thereof or leases or other tenures which may

replace them, whether created privately or through governmental action, and including, without limitation, any leasehold interest. If any right, power or interest of any party under the Leadbetter Crown Land Property Option Agreement would violate the rule against perpetuities, then such right, power, interest shall terminate at the expiration of twenty (20) years after the death of the last survivor of all of the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

**SCHEDULE 1**

**Execution Copy**

PATENTED LANDS OPTION AGREEMENT  
PROPERTY OPTION AGREEMENT

(Chabanel Township Properties)

THIS AGREEMENT made and entered into as of the 23<sup>rd</sup> day of February, 2005.

AMONG:

DIANOR RESOURCES INC.,  
having a place of business at  
730, 4<sup>e</sup> Avenue, Val D'Or, Quebec, J9P 1J2,  
herein acting and duly represented for the purposes hereof  
by its President, John Ryder

Optionee

And:

3814793 CANADA INC.,  
having a place of business at  
P.O. Box 97, Wawa, Ontario P0S 1K0,  
herein acting and duly represented for the purposes hereof  
by its President, Paulette A. Mousseau-Leadbetter

Optionor

The Parties Declare as Follows:

WHEREAS the Optionor is the recorded owner of the surface and mining rights to forty-nine patented mining claims (the "Patented Lands") situated in Chabanel Township in the District of Algoma, more particularly described as SSM 17338, SSM 17339, SSM 17360, SSM 21168, SSM 17334, SSM 17335, SSM 17362, SSM 17361, SSM 17337, SSM 17391, SSM 17342, SSM 17343, SSM 17340, SSM 17339, SSM 17338, SSM 18637, SSM 23011, SSM 18638, SSM 23012, SSM 18639, SSM 18640, SSM 18641, SSM 18642, SSM 18644, SSM 18645, SSM 23544, SSM 23543, SSM 21166, SSM 21167, SSM 22722, SSM 22721, SSM 18643, SSM 22718, SSM 22874, SSM 13687, SSM 22719, SSM 13686, SSM 22945, SSM 13683, SSM 22946, SSM 22714, SSM 17336, SSM 17650, SSM 17333, SSM 17363, SSM 21169, SSM 22726, SSM 15445 and SSM 21171.

AND WHEREAS the Optionee wishes to enter into an Option Agreement with the Optionor whereby the Optionee purchases a seventy percent (70%) interest in the mineral rights only on the

understanding that the Optionee will use commercially reasonable best efforts to bring the Patented Lands into commercial diamond production within eight years of the execution of this Option Agreement.

NOW THEREFORE, for good and valuable consideration (the receipt and sufficiency of which is acknowledged), the Optionor and Optionee agree as follows:

1. The Optionor represents and warrants to the Optionee that:
  - a) It has the full and undisputed power and authority to deal with the Patented Lands as provided for in this Option Agreement;
  - b) It is the beneficial and recorded owner of a 100% undivided interest in the Patented Lands, both surface and mining rights, free and clear of any and all royalties (except for a ten percent (10%) royalty payable to Algoma Steel Inc. (hereinafter "Algoma")), liens, or encumbrances;
  - c) It will give the Optionee full rights of egress and ingress to the Patented Lands to comply with this Option Agreement;
  - d) The Patented Lands are in good standing with the applicable Government authorities and all taxes have been paid; and
  - e) No other person has any agreement or option or right capable of becoming an agreement or option for the purchase of the Patented Lands or any portion thereof.
2. The Optionor grants to the Optionee the sole, immediate and irrevocable working right and option with respect to the Patented Lands, for a period of four (4) years from the date of this Option Agreement, and the right to earn an seventy percent (70%) undivided interest in the Patented Lands (the "Option") upon satisfying the terms and conditions herein.
3. In order to maintain and exercise the Option, the Optionee must:
  - (a) Make the following payments in money and/or common shares:
    - (i) Eight hundred thousand dollars (\$800,000.00) to the Optionor upon signing of this Option Agreement;
    - (ii) One million five hundred thousand (1,500,000) common shares of Dianor Resources Inc. to the Optionor, forthwith upon the execution of this Option Agreement;



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- (iii) Seven hundred and fifty thousand dollars (\$750,000.00) in money and common shares of Dianor Resources Inc. (in such ratio as shall be mutually agreed, but not less than 50% in money) to the Optionor on or before December 15, 2005. *15/01/06*
  - (iv) Seven hundred and fifty thousand dollars (\$750,000.00) in money and common shares of Dianor Resources Inc. (in such ratio as shall be mutually agreed, but not less than 50% in money) to the Optionor on or before the second anniversary date of this Option Agreement. *15/01/07*
  - (v) Seven hundred and fifty thousand dollars (\$750,000.00) in money and common shares of Dianor Resources Inc. (in such ratio as shall be mutually agreed, but not less than 50% in money) to the Optionor on or before the third anniversary date of this Option Agreement. *15/01/08*
  - (vi) Seven hundred and fifty thousand dollars (\$750,000.00) in money and common shares of Dianor Resources Inc. (in such ratio as shall be mutually agreed, but not less than 50% in money) to the Optionor on or before the fourth anniversary date of this Option Agreement; and *15/01/09*
  - (vii) Four hundred thousand (400,000.00) common shares of Dianor Resources Inc. to the Optionor upon discovery and recovery of alluvial diamonds from the sand and gravel deposits presented on the Patented Lands, which sand and gravel deposits shall remain the property of the Optionor.
- (b) Incur the following Expenditures:
- (i) Expenditures of at least five million dollars (\$5,000,000.00) in direct property expenditures for exploration and evaluation work (the "Expenditures") on or before the fourth anniversary of the date of this Option Agreement; and
  - (ii) Expenditures, including the Expenditures referred to above, of at least ten million dollars (\$10,000,000.00) to bring the Mining Claims into commercial production, on or before the eighth anniversary of the date of this Option Agreement.



4. The Optionee and the Optionor acknowledge and agree that common shares issued pursuant to this Option Agreement shall be free trading shares in Dianor Resources Inc., subject only to such restrictions on resale as may be imposed by applicable securities legislation. The Optionee makes no representation with respect to the future market value of such shares. However, it is expressly acknowledged and agreed that the payment provisions in paragraph 3 are based on an assumed share value of at least ten cents (10c) per share and in the event that the share value falls below this value the number of shares to be issued in satisfaction of the provisions of paragraph 3 shall be adjusted accordingly and the value assigned to the shares delivered pursuant to the provisions of paragraph 3 shall be the weighted average value recorded on the TSX Venture Exchange or other exchange during the twenty (20) days immediately preceding the date of delivery. It is further acknowledged and agreed that if Dianor Resources Inc. becomes delisted or otherwise ceases active trading for six (6) months, before the Optionee has completed all payments of money and delivery of shares required by paragraph 3, or within ninety (90) days thereof, this Option Agreement shall be terminated forthwith.

5. Once the Optionee has delivered the one million five hundred thousand (1,500,000) common shares in Dianor Resources Inc. and paid the eight hundred thousand dollars (\$800,000.00) required by paragraphs 3(a) (i) and (ii), the Optionor shall deliver to the Optionee all relevant data and results pertaining to the Patented Lands as may be in its possession or control.

6. If the Optionee has, on or before the fourth anniversary date of this Option Agreement, made the payments in money and shares, required by paragraph 3(a), and incurred the Expenditures referred to in paragraph 3(b)(i), in the amount of \$5,000,000.00, the Optionee shall have the right to a seventy percent (70%) undivided interest in the Patented Lands, subject to the provisions of this Option Agreement, and the title to the Patented Lands shall be recorded and/or registered in each of the names of the Optionee and Optionor as to their respective undivided interests as tenants in common.

7. Once the Optionee becomes the owner of a seventy percent (70%) undivided interest in the Patented Lands, the Optionor shall retain a thirty percent (30%) undivided interest in the Patented Lands, which shall be in the form of a Gross Overriding Royalty ("GOR"), calculated in accordance with Schedule "A". The Optionee shall have the right of first refusal to purchase the Optionor's thirty percent (30%) interest.

8. If the event the Optionor, through negotiation with Algoma, reduces Algoma's royalty from ten percent (10%) to five percent (5%), then such remaining five percent (5%) shall be added to the Optionee's interest for a total of seventy five percent (75%). In addition, the Optionor grants the Optionee rights to all the non-diamond minerals and metals on the Patented Lands, subject to the payment of a one and a half percent (1.5%) gross royalty on any such non-diamond mineral and metal production from the Patented Lands.

9. It is expressly agreed that all diamonds found on the Patented Lands prior to the Optionee becoming the owner of a seventy percent (70%) interest in the Patented Lands shall be the exclusive property of the Optionor, with the exception of all diamonds recovered from bulk samples exceeding 10,000 tonnes which shall be the exclusive property of the Optionee, subject only to the GOR pursuant to paragraph 7, above.

10. The Optionee shall indemnify and save the Optionor harmless from all losses, liabilities, claims, demands and so forth, as may in any way arise out of the Optionee's operations and activities on the Patented Lands.

11. The Optionee shall form a Management Committee consisting of three representatives of the Optionee and two representatives of the Optionor. The purpose of the Management Committee will be to direct the operations, to approve work programs and budgets, and to decide the strategy and direction of the development of the Patented Lands. However, the Optionee shall be solely responsible for carrying on all operations and activities required to explore and develop the Patented Lands pursuant to this Option Agreement and will ensure that all work is done in a professional manner, respectful of local culture and traditions and in full compliance with all rules, regulations and laws governing such activities in the Province of Ontario.

12. The Optionee shall provide to the Optionor periodic progress reports of its exploration and development activities sufficient to keep the Optionor informed of the activities conducted on the property, including data and results of exploration, assessment and assay. The Optionee agrees that the Optionor shall have unrestricted access to the Patented Lands and all related activities, provided that the Optionor shall not interfere with operations and activities being carried out pursuant to this Option Agreement. The Optionee further agrees that Joseph Leadbetter shall be allowed to continue to explore and prospect the Patented Lands on behalf of the Optionor, until such time as commercial production has commenced, provided that he provides the Optionee any and all discoveries/information pertaining to diamonds, non-diamond minerals and metals.

13. The Optionee shall pay all taxes, assessments and other charges lawfully levied or assessed against the Patented Lands.

14. Any and all claims staked for diamonds by or on behalf of the Optionor in Chabanel Township in the District of Algoma shall be subject to this Option Agreement at the election of the Optionee, provided that the Optionee shall forthwith upon making such election reimburse the Optionor for all expenses incurred in exploration and staking of such further claims, as the case may be.

15. The Optionee may terminate this Option Agreement at any time by notifying the Optionor of its intention by registered mail. In the event the Optionee elects to terminate the Option Agreement before the second anniversary of the date of this Option Agreement, it shall

forthwith pay to the Optionor all outstanding money and shares as are stipulated in the provisions of paragraph 3(a)(i) to (iii), such that the total payment to the Optionor even in the event of termination shall be not less than one million five hundred and fifty thousand dollars (\$1,550,000.00) and one million five hundred thousand (1,500,000) common shares in Dianor Resources Inc.

16. In the event this Option Agreement is terminated prior to the Optionee becoming the owner of a seventy percent (70%) interest in the Patented Lands, the Optionee shall forthwith release such interest it may have in the Patented Lands and execute such documents as may be necessary to convey such interest back to the Optionor and return to the Optionor all data, samples, reports and other material relative to the diamond prospects of the Patented Lands.

17. Neither party shall be liable for damages caused by delay or failure to perform its obligations under this Option Agreement where such delay or failure is caused by an event beyond its reasonable control. The Parties agree that an event shall not be considered beyond one's reasonable control if a reasonable business person applying due diligence in the same or similar circumstances under the same or similar obligations as those contained in this Option Agreement would have put in place contingency plans to either materially mitigate or negate the effects of such event. Without limiting the generality of the foregoing, the parties agree that Force Majeure events shall include acts of God and natural disasters, acts of war, insurrection and terrorism and threatened acts of terrorism. If a Party seeks to excuse itself from its obligations under this Agreement due to a Force Majeure event, that Party shall immediately notify the other Party of the delay or non-performance, the reason of such delay or non-performance and the anticipated period of delay or non-performance.

18. The Optionee may assign any of its rights or obligations under this option Agreement without the prior written consent of the Optionor, provided that if such assignment occurs within the first four years of the Option Agreement, the Optionee shall remain liable for the payments stipulated in paragraph 3 above.

19. The Optionee and Optionor agree that this Option Agreement:

- a) Constitutes and sets forth the entire agreement between the Parties and any persons who have in the past or who are now representing either of the parties;
- b) Supersedes all prior understandings and communications between the parties, or any of them, oral or written; and



Provided however, that each Party acknowledges that it shall execute, acknowledge and deliver all such further acts, assignments and assurances as may be reasonably required from time to time to consummate the transactions contemplated by this Option Agreement.

20. The invalidity of any particular provision of this Option Agreement, save and except for paragraph 3, shall not affect any other provision and this Option Agreement shall be construed as if any such invalidated provision were omitted.

21. The parties agree that the language of this Option Agreement and any notices or documents related thereto shall be English; that they are entering into this transaction in good faith; that all dollar amounts are in lawful currency of Canada; and time shall be of the essence.

22. All information and data concerning the exploration and/or development of the Patented Lands shall be kept confidential and, except to the extent required by law, regulation or policy of any Securities Commission or Stock Exchange, or in connection with the filing of an annual information form, a prospectus or statement of material fact by any party or any of its affiliate, or for any purpose specifically contemplated by this Option Agreement, shall not be disclosed to any third party without the prior consent of the Optionee and the Optionor, which consent shall not unreasonably be withheld.

23. Each party acknowledges that this Option Agreement is entered into after full investigation and no party is relying on any statement or representation made by any other which is not embodied in this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

DIANOR RESOURCES INC.

  
Per: John Ryder, President

3814793 CANADA INC.

  
Per: Paulette A. Mousseau-Leadbetter, President

## SCHEDULE "A" - GROSS OVERRIDING ROYALTY

1. Pursuant to Section 7 of the Option Agreement to which this Schedule is attached, Optionor is entitled to a royalty equal to twenty percent (20%) of all Gross Overriding Royalties ("GOR") from the Average Appraised Value (as described below) of all diamonds (the "Diamonds") recovered, sorted and graded by Optionee or any other operator (the "Operator") from the Patented Lands as described in the Option Agreement (the "Patented Lands"), free and clear of all costs of development and operations.
2. The expression "Average Appraised Value" shall mean the average of the valuations in Canadian dollars of the Diamonds determined by two independent graders, one appointed by the Optionee and one appointed by Optionor. Such independent graders shall be duly qualified and accredited, and shall sort, grade and value the Diamonds in accordance with industry standards, having regard to, but without limiting the generality of the foregoing, the commercial demand for the Diamonds. Each independent valuator shall value each particular classification of the Diamonds in accordance with the industry price books, standards and formulas. The parties acknowledge that the intention is that the GOR royalty be paid to the Optionor on this basis, regardless of the price or proceeds actually received by the Operator for or in connection with the Diamonds or the manner in which a sale of the Diamonds to a third party is made, and without deduction.
3. Payment of the GOR royalty shall be calculated and made quarterly within ninety (90) days after the end of each fiscal quarter of the Operator, based on all diamonds recovered from the Patented Lands that were graded in such quarter.
4. The Optionor shall not be entitled to further participate in the profits or be obligated to share in any losses generated by the Operator's actual marketing or sales practices once the GOR is paid.
5. The Optionor shall, at their election, have the right to take their GOR royalty in kind or cash, as it may pertain to the Diamonds, in whole or in part.

**SCHEDULE 2**

SCHEDULE 2  
"LEADBETTER OPTION AMENDING AGREEMENT"

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AMENDMENTS TO PROPERTY OPTION AGREEMENTS

(Chabanel Township Properties)

DATED

DECEMBER 15<sup>th</sup> 2004 & FEBRUARY 23<sup>rd</sup> 2005

AMONG:

DIANOR RESOURCES INC.,

And:

3814793 CANADA INC.,

And:

PAULETTE A. MOUSSEAU-LEADBETTER

And:

JOHN JOSEPH LEADBETTER

And:

DIAMOND LAKE MINING LTD.

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JULY 30<sup>th</sup> 2005**AMMENDMENTS TO PROPERTY OPTION AGREEMENTS****(Chabanel Township Properties)**

**THIS AGREEMENT** made and entered into as of the                      day of                      , 2005;

**AMONG:**

**DIANOR RESOURCES INC.,**  
having a place of business at  
649, 3rd Avenue, Val D'Or, Quebec, J9P 1S7

**Optionee**

**And:**

**3814793 CANADA INC.,**  
having a place of business at  
P.O. Box 97, Wawa, Ontario P0S 1K0,  
herein acting and duly represented for the purposes hereof  
by its President,  
**PAULETTE A. MOUSSEAU-LEADBETTER**

**and**

**PAULETTE A. MOUSSEAU-LEADBETTER**  
in her personal capacity.

**Optionors**

**And:**

**JOHN JOSEPH LEADBETTER**  
in his personal capacity



And:

**DIAMOND LAKE MINING LTD.**  
 having a place of business at  
 P.O. Box 97, Wawa, Ontario P0S 1K0,  
 herein acting and duly represented for the purposes hereof  
 by its President,  
**PAULETTE A. MOUSSEAU-LEADBETTER**

**The Parties Declare as Follows:**

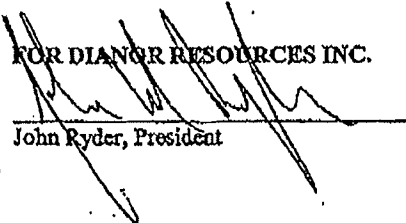
WHEREAS the Optionors and Optionee wish to make amendments to the two Property Option Agreements (Agreements) and other matters entered into by the parties on December 15<sup>th</sup> 2004 and February 23<sup>rd</sup> 2005 concerning the nineteen Crown Land unpatented mining claims and the forty nine patented mining claims (the "Mining Claims") situated in Chabanel Township in the District of Algoma, Ontario, and certain other agreements, the parties now agree:

1. To consolidate the date that the annual cash and share payments are to be made by the Optionee, as outlined in Section 3(a) in both Agreements. The new payment date will be January 15<sup>th</sup> of each year and will continue until all payments are made to satisfy the terms and conditions of the agreements as in sections 2 and 3 (a) of both Agreements. The first payments under this amended agreement are to commence on January 15<sup>th</sup> 2006. Currently two different payment dates are outlined, namely, the December 15<sup>th</sup> and February 23<sup>rd</sup> Agreement Signing Anniversary dates.
2. To delete and replace the last sentence of Section 8 of the Agreement dated February 23<sup>rd</sup> 2005 with "*In addition, the Optionor grants the Optionee rights to all the non-diamond minerals and metals, excluding sand and gravel, on the Patented Lands, subject to the payment of one and one half percent (1.5%) gross royalty on any such non-diamond mineral and metal production from the Patented Lands*".
3. To allow John Joseph Leadbetter to assign all of his rights, title and interest in his excavation contract agreement dated December 16th 2004 to Diamond Lake Mining Ltd., effective January 1<sup>st</sup> 2005 on the condition that Diamond Lake Mining Ltd. retain the services of Mr. Leadbetter and they (Diamond Lake Mining Ltd.) assume and accept all the terms, conditions and liabilities as set out in the original excavation agreement. Diamond Lake Mining Ltd. hereby agrees to assume and accept all the terms, conditions and liabilities as set out in the original excavation agreement and agrees to retain the services of Mr. Leadbetter. In the event that Mr. Leadbetter is no longer in the employ of Diamond Lake Mining Ltd., then all his rights, title and interest in his excavation contract will revert back to Mr. Leadbetter and the Optionee will only respect the excavation contract with John Joseph Leadbetter.

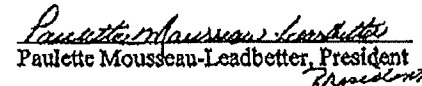
4. To allow John Joseph Leadbetter to assign all of his rights, title and interest in his prospecting contract agreement dated December 16th 2004 to Diamond Lake Mining Ltd. effective January 1<sup>st</sup> 2005 on the condition that Diamond Lake Mining Ltd. retain the services of Mr. Leadbetter and they (Diamond Lake Mining Ltd.) assume and accept all the terms, conditions and liabilities as set out in the original prospecting agreement. Diamond Lake Mining Ltd. hereby agrees to assume and accept all the terms, conditions and liabilities as set out in the original prospecting agreement and agrees to retain the services of Mr. Leadbetter. In the event that Mr. Leadbetter is no longer in the employ of Diamond Lake Mining Inc., then all his rights, title and interest in his prospecting contract will revert back to Mr. Leadbetter and the Optionee will only respect the prospecting contract with John Joseph Leadbetter.
  
5. To correct an error in Schedule "A" - GROSS OVERRIDING ROYALTY accompanying the Patented Lands Option Agreement dated February 23<sup>rd</sup> 2005. Section 1. of Schedule "A" is hereby amended to read "*Pursuant to Section 7 of the Option Agreement to which this Schedule is attached, Optionors are entitled to a royalty equal to thirty percent (30%) of all Gross Overriding Royalties ("GOR") from the Average Appraised Value (as described below) of all diamonds (the "Diamonds") recovered, sorted and graded by Optionee or any other operator (the "Operator") from the Mining Claims as described in the Option Agreement (the "Patented Lands"), free and clear of all costs of development and operations*"

IN WITNESS WHEREOF the parties hereto have executed these amendments as of the date first written above,

FOR DIAMOR RESOURCES INC.

  
John Ryder, President

FOR 3814793 CANADA INC.

  
Paulette Mousseau-Leadbetter, President

PAULETTE MOUSSEAU-LEADBETTER

Paulette Mousseau-Leadbetter  
Paulette Mousseau-Leadbetter

FOR DIAMOND LAKE MINING LTD.

Paulette Mousseau-Leadbetter  
Paulette Mousseau-Leadbetter

JOHN JOSEPH LEADBETTER

John Joseph Leadbetter  
John Joseph Leadbetter

**SCHEDULE 3**

## SCHEDULE 3

## "NON-DIAMOND MINERAL RIGHTS AGREEMENT"

Page -1-

## AMMENDMENT TO PROPERTY OPTION AGREEMENT

(Chabanel Township Properties)

THIS AMMENDMENT made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2004;

## AMONG:

**DIANOR RESOURCES INC.,**  
having a place of business at  
730, 4e Avenue, Val D'Or, Quebec, J9P 1J2

## Optionee

## And:

**3814793 CANADA INC.,**  
having a place of business at  
P.O. Box 97, Wawa, Ontario P0S 1K0,  
herein acting and duly represented for the purposes hereof  
by its President,  
**PAULETTE A. MOUSSEAU-LEADBETTER**

and

**PAULETTE A. MOUSSEAU-LEADBETTER**  
in her personal capacity.

## Optioners

The Parties Declare as Follows:

WHEREAS the Optionors are the recorded owners of nineteen Crown Land mining claims (the "Mining Claims") situated in Chabanel Township in the District of Algoma, more particularly described as 1243318; 1243319, 1243325, 1243332, 1243335, 1243336, 1243363, 1243365, 1243369, 1243373, 1243377, 1243509, 1243510, 1235746, 1235747, 1235754, 1235757, 1235758, and 1235759.

Page -2-

AND WHEREAS the Optionee has entered into an Option Agreement with the Optionors whereby the Optionee purchases an eighty percent (80%) interest in the Mining Claims. The Optionors now grants the Optionee the non-diamond mineral rights, excluding sand and gravel, for a one and a half percent (1.5%) gross royalty on any and all non-diamond commercial production from the claims described above subject to the terms and conditions of the original agreement signed December 15<sup>th</sup> 2004.

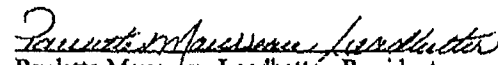
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.



DIANOR RESOURCES INC.

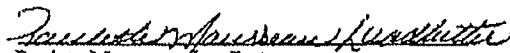
John Ryder, President

3814793 CANADA INC.



Paulette Mousseau-Leadbetter, President

PAULETTE MOUSSEAU-LEADBETTER



Paulette Mousseau-Leadbetter

100

**Execution Copy**

**SCHEDULE 4**

HBdocs - 4797967v6

SCHEDULE 4

"TEN PER CENT PURCHASE AGREEMENT

**PURCHASE AGREEMENT FOR THE ACQUISITION OF AN  
ADDITIONAL TEN PERCENT (10%) INTEREST**

**IN**

**The Leadbetter and Leadbetter Extension Properties  
Located in Chabanel Township, Ontario**

**AMONG:**

**DIANOR RESOURCES INC.,**

**And:**

**3814793 CANADA INC.,**

**And:**

**PAULETTE A. MOUSSEAU-LEADBETTER**



THIS AGREEMENT made and entered into as of the 30th day of March 2007;

AMONG:

**DIANOR RESOURCES INC.,**  
having a place of business at  
649, 3rd Avenue, Val D'Or, Quebec, J9P 1S7

(hereinafter "Dianor" or the "Optionee")

And:

**3814793 CANADA INC.,**  
having a place of business at  
P.O. Box 97, Wawa, Ontario P0S 1K0,  
herein acting and duly represented for the purposes hereof  
by its President,  
**PAULETTE A. MOUSSEAU-LEADBETTER**

and

**PAULETTE A. MOUSSEAU-LEADBETTER**  
in her personal capacity.

(collectively, the "Optionors")

**Parties to the Ten percent Purchase Agreement**

1. 3814793 Canada Inc. and Paulette Mousseau-Leadbetter are the optionors (the "Leadbetter Optionors") of the Crown Land mining claims governed by the December 15, 2004 option agreement (the "Leadbetter Property Option Agreement").
2. 3814793 Canada Inc. is the sole optionor (the "Leadbetter Extension Optionor") of the Patented Lands interests governed by the February 23, 2005 option agreement (the "Leadbetter Extension Property Option Agreement").
3. Dianor Resources Inc. is the sole optionee (the "Optionee") under the Leadbetter Property Option Agreement and the Leadbetter Extension Property Option Agreements (collectively, the "Option Agreements").

**Background to this agreement:**

In November 2006, Dianor retained the services of an independent corporation, IBK Capital Corp. ("IBK") to provide a valuation of the portion of the Leadbetter Property (20%) and the Leadbetter Extension Property (30%) to which Dianor does not have option rights under the Option Agreements. The 20% and 30% not subject to option by Dianor are also described in the Option Agreements as a Gross Overriding Royalty ("GOR") in respect of both properties. Currently, Dianor has an option to acquire an 80% undivided interest in the Leadbetter Property from Leadbetter Property Optionors and an option to acquire a 70% undivided interest in the Leadbetter Extension Property from the Leadbetter Extension Property Optionor.

A "Valuation Report of the Leadbetter Project" dated December 22<sup>nd</sup> 2006 was prepared by IBK's professional team which has extensive knowledge of the capital markets as well as experience in providing valuations and fairness opinions involving private and publicly-traded companies. The report was delivered to Dianor on December 22<sup>nd</sup> 2006 and negotiations with the Optionors commenced in mid-January 2007.

As a result of the negotiations, it was stipulated and agreed to by the parties hereto that as it relates to the GOR provided for in each of the Option Agreements, the "Stock Market Value/Market Capitalization" method, as outlined by IBK, would be the main valuation method upon which negotiations would be based to purchase an additional ten percent (10%) undivided interest in the Leadbetter Property and Leadbetter Extension Property from the Optionors. Negotiations in March 2007 resulted in the establishment of agreed valuation, payment method and schedule.

The parties hereto agree that after extensive negotiations eight million dollars (\$8,000,000) is the total fair purchase value for the acquisition by Dianor of an additional ten percent (10%) interest in each of the Leadbetter Property and Leadbetter Extension Property referred to herein.

It was also agreed to include common share purchase warrants as part of the consideration provided hereunder in order to mitigate the value risk to 3814793 Canada Inc. incurred due to this offer being made prior to substantial results being proven and due to the payment methods and schedules agreed to by the parties.

**Preamble and Agreement:**

WHEREAS the Optionors currently own a 100% interest in the nineteen Crown Land unpatented mining claims commonly known as the "Leadbetter Property" and the forty-nine patented mining claims commonly known as the "Leadbetter Extension Property" situated in Chabanel Township in the District of Algoma, Ontario, the whole as more specifically described in the Option Agreements;

AND WHEREAS pursuant to the terms and conditions of the Option Agreements, the Optionors have granted Dianor the right to acquire an 80% undivided interest in the Leadbetter Property and a 70% undivided interest in the Leadbetter Extension Property;

AND WHEREAS the Optionors wish to sell and Dianor wishes to purchase the right to acquire an additional ten percent (10%) undivided interest in each of the Leadbetter Property and the Leadbetter Extension Property as outlined in Option Agreements;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the terms and conditions hereinafter contained, the parties hereto agree as follows:

In order to acquire its additional ten percent (10%) undivided interest in the aforementioned properties, Dianor will:

- 1.1. Pay to the Optionors the aggregate purchase price of eight million dollars (\$8,000,000) (which shall be allocated between the Leadbetter Property and the Leadbetter Extension Property by the Optionors, acting reasonably) over a maximum period of forty (40) months beginning as of the date of this agreement and ending no later than August 1, 2010 as described in the following way:
  - 1.1.1. Pay six hundred thousand dollars (\$600,000) cash within 15 calendar days from the date of signing this agreement;
  - 1.1.2. Pay the remaining seven million four hundred thousand dollars (\$7,400,000) half in cash and half in common shares of Dianor in accordance with the following payment schedule:
    - i. Two hundred seventy seven thousand five hundred dollars (\$277,500) cash is to be paid consecutively every quarter (every three months) beginning on July 1, 2007 and ending no later than August 1, 2010 to equal a total cash payment at the end of the payment schedule (*see below*) of not less than three million seven hundred thousand dollars (\$3,700,000) notwithstanding additional conditions described below or elsewhere contained in this agreement:

Quarterly Payment schedule:

- a. July 1, 2007
- b. October 1, 2007
- c. January 1, 2008
- d. April 1, 2008
- e. July 1, 2008
- f. October 1, 2008
- g. January 1, 2009
- h. April 1, 2009
- i. July 1, 2009
- j. October 1, 2009
- k. January 1, 2010

- l. April 1, 2010
- m. July 1, 2010
- n. August 1, 2010

ii. Common shares of Dianor will be issued respecting the following six (6) month payment date schedule:

- a. October 1, 2007
- b. April 1, 2008
- c. October 1, 2008
- d. April 1, 2009
- e. October 1, 2009
- f. October 1, 2009
- g. January 1, 2010
- h. July 1, 2010
- i. August 1, 2010

iii. The amount of common shares to be issued at the above dates will be valued at no less than five hundred and fifty five thousand dollars (\$555,000) except for the last payment in shares which will be valued at no less than ninety-two thousand five hundred dollars (\$92,500). The number of common shares to be issued will be calculated by utilizing the weighted average of the preceding twenty (20) trading days of the common shares of Dianor listed on the TSX Venture Exchange in order to arrive at the per share issue price.

- 1.2. Issue one million (1,000,000) common share purchase warrants with an exercise price representing a fifteen percent (15%) premium on the closing price of the common shares of Dianor listed on the TSX Venture Exchange on the date of signing of this agreement. The foregoing warrants will be valid for three years (3) from date of signing of this agreement. All warrants issued are considered to be transferable and/or assignable.
2. Agree that in the event of a significant company event such as, but not limited to, a merger, ownership restructure, corporate take-over, reverse takeover or anything else considered significant in nature by the Canadian capital markets that would otherwise impede or change the implied progress of exploration and development of the Leadbetter Property and Leadbetter Extension Property to:
  - 2.1. Revoke the payment schedule and consolidate all remaining payments into one lump sum payment due at the time the significant event takes place;
  - 2.2. Consolidate the remaining share issuance into one accelerated payment to be valued at the time of the event as an average of the preceding 20 days as described in 1.1.2. iii. above and

equal in Canadian dollars to not less than the remaining total cash being paid as described in 2.1.

3. All funds are in Canadian dollars.
4. All share issuances and warrants are subject to regulatory approval, including that of the TSX Venture Exchange.
5. Upon completion of payments outlined in sections 1.1 to 1.2 above, Dianor will have earned a ten percent (10%) undivided interest in both the Leadbetter Property and the Leadbetter Extension Property, which, for greater certainty, is in addition to and separate from the option to acquire the 80% and 70% undivided interests contemplated in the Leadbetter Property Option Agreement and the Leadbetter Extension Property Option Agreement, respectively. For greater certainty, the parties acknowledge that upon satisfaction of the terms and conditions set forth in this agreement and the Option Agreements, Dianor will have acquired an 90% and 80% undivided interest in the Leadbetter Property and Leadbetter Extension Property, respectively.
6. This agreement does not affect any non-diamond royalties.
7. The Optionors agree and undertake to do all things necessary and to execute documents required so as to ensure that the Gross Overriding Royalty (GOR), as defined in the various attachments to the Option Agreements, will be amended to reflect Dianor's additional ten percent (10%) in the Leadbetter Property and Leadbetter Extension Property upon satisfaction of the terms and conditions for payment contemplated hereunder.
8. In the event of non-payment by Dianor it will have thirty days (30) to rectify any deficiencies.
9. As Dianor meets its cash obligations every quarter and its share issuance every six months (6) then it is entitled to that portion/percentage ownership of the properties on a pro rata basis.
10. The parties agree to clarify, regularize and update sections of the Option Agreements within sixty (60) days to include industry standard terms, including terms to give the Optionors the right of audit and inspection and dispute resolution provisions.
11. This agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and replaces and supersedes all previous agreements between the parties including, without limitation, any verbal agreements among the parties.
12. No change, termination or waiver of any provisions of this agreement shall be binding upon the parties hereto unless in writing, signed by all parties.
13. This agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties hereto



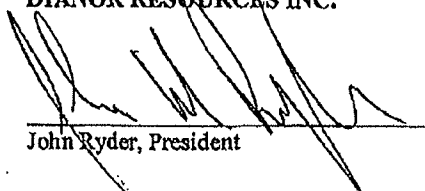
hereby irrevocably adorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

14. The invalidity of any particular provision of this Agreement shall not affect any other provision hereof, and this Agreement shall be construed as if any such invalidated provision were omitted.
15. At any time and from time to time each party hereto shall do, execute, acknowledge and deliver all such further acts, assignments and assurances as may be reasonably required to consummate the transactions contemplated by this Agreement.
16. The parties hereto acknowledge having required that this Agreement, as well as all notices and documents related hereto be drafted in English.
17. Time is of the essence.

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IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date first written above.

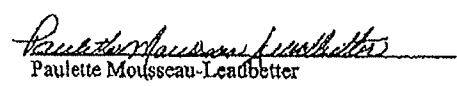
**DIANOR RESOURCES INC.**

  
John Ryder, President

**3814793 CANADA INC.**

  
Paulette Mousseau-Leadbetter, President

**PAULETTE MOUSSEAU-LEADBETTER**

  
Paulette Mousseau-Leadbetter



Tab F



This is **Exhibit "F"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.

A handwritten signature in black ink, appearing to read 'Shaan N. Roy', written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

Shaan N. Roy

EXECUTION COPY

**AGREEMENT OF PURCHASE AND SALE**

This AGREEMENT is made this 27th day of November, 2008

**DIANOR RESOURCES INC.** (the "Purchaser"), agrees to purchase from **3814793 CANADA INC.** and **PAULETTE A. MOUSSEAU-LEADBETTER** (collectively the "Vendor"), the properties as legally described in Schedule "A" (the "Property") for a purchase price of ONE MILLION DOLLARS (\$ 1,000,000.00) (the "Purchase Price") ( hereinafter referred to as the "Surface Rights Agreement") on the following terms:

1. The Purchaser shall pay to the Vendor the Purchase Price as follows:
 

January 31, 2009	\$50,000.00	- PAID
January 31, 2009	\$ 221,425.00	- PAID
November 30, 2009	\$ 178,575.00	
November 30, 2010	\$ 200,000.00	
November 30, 2011	\$ 175,000.00	
November 30, 2012	\$ 175,000.00	
2. On the Closing Date, the Purchaser will grant to the Vendor a first ranking mortgage in the principal amount not to exceed FIVE MILLION DOLLARS (\$5,000,000.00) in the form attached hereto as Schedules "B" and "B.1" which will provide security against the balance of the Purchase Price and other obligations under the hereinafter defined Suspension and Termination Agreement.
3. "INTENTIONALLY DELETED"
4. The parties acknowledge that there is an existing promissory note from 3814793 Canada Inc. in favour of the Dianor Resources Inc. dated July 25, 2005 in the principal amount of One Hundred and Seventy-One Thousand, Four Hundred and Twenty-Five dollars Cdn. (\$171,425.00) a copy of which is attached as Schedule "C".
5. The parties agree that the payment due on October 31, 2008 in the amount of Two Hundred and Twenty-One Thousand, Four Hundred and Twenty-Five dollars shall be reduced by the sum of One Hundred and Seventy-One Thousand, Four Hundred and Twenty-Five dollars Cdn. (\$171,425.00). In return the Purchaser agrees to provide 3814793 Canada Inc. with a release in the form attached in Schedule "D" and Schedule "E" with respect to the 10 Mining Claims.
6. The Vendor warrants that neither is a non-resident of Canada within the meaning of the *Income Tax Act*.

7. The Vendor and the Purchaser agree that there is no condition, express or implied, representation or warranty of any kind that the future intended use of the property by the Purchaser is or will be lawful except as may be specifically stipulated hereunder.
8. The Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of the Vendor. The Vendor agrees that, if requested by the Purchaser, to deliver any sketch or survey of the property in its possession or within its control to Purchaser forthwith upon such request.
9. This Agreement shall be completed on the 27th day of November, 2008 (the "Closing Date"). In the event that this Agreement shall not be completed on the Closing Date, time shall remain of the essence hereof provided that the time for doing or completing any matter provided herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or their respective solicitors.
10. Provided that this Agreement shall be effective to create an interest in the property only if the subdivision control provisions of the *Planning Act* are complied with by the Vendor on or before Vendor hereby covenants to proceed diligently to obtain any necessary consent on or before Closing.
11. (i) The Transfer/Deed of Land shall, save for the Land Transfer Tax Affidavit, which shall be prepared and completed by the Purchaser, be prepared in registrable form at the expense of the Vendor and the Mortgage, if any, at the expense of the Purchaser.  
  
(ii) The Vendor covenants and agrees that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50 (22) (a)(b)(c) and (d) of the *Planning Act*, R.S.O. 1990 c.13.
12. Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser or their respective solicitors on the day set for completion of this Agreement. Money may be tendered by bank draft or cheque certified by a chartered bank, trust company, Province of Ontario savings office, credit union or caisse populaire in Canadian dollars. Any amount of money expressed herein shall be Canadian dollars.
13. The Vendor warrants that spousal consent is not necessary to this transaction under the provisions of the *Family Law Act*, unless the Vendor's Spouse has executed the consent hereinafter provided.

14. The parties acknowledge and agree that the Purchase Price does not include the federal Goods and Services Tax (the "GST") payable by the Purchaser in respect of the purchase of the Premises pursuant to the *Excise Tax Act* (Canada) (the "Act"). The Purchaser shall, on the Closing, as a condition of completion of this transaction of purchase and sale, either remit to the Vendor, GST at the rate of 5.00% of the Purchase Price or provide to the Vendor the Purchaser's GST registration number together with an undertaking in a form reasonably acceptable to the Vendor to the effect that the Purchaser shall remit as required by the Act any GST payable in respect of the sale of the Property to the Purchaser and shall indemnify the Vendor in respect of any GST so payable.
15. The completion of this Agreement is conditional on closing of a Suspension and Termination Agreement between 1584903 Ontario Ltd. and Joseph Leadbetter. The Purchaser and the Vendor agree that this Agreement and the Suspension and Termination Agreement are to be closed at the same time.
16. This Agreement shall be read with all changes of gender or number required by the context.
17. The Agreement shall constitute the entire agreement between the Purchaser and the Vendor and there is no representation, warranty, collateral agreement or condition affecting the Agreement of the Property or supported hereby other than expressed hereby in writing.
18. The Agreement shall be read with all changes of gender or number required by the context and shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.
19. The Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
20. The Vendor covenants and agrees with, and represents and warrants to the Purchaser, and acknowledges that the Purchaser has relied thereon in entering into the Agreement and in completing the transaction contemplated hereby as follows:
  - (i) Title to the Property is good and free from all encumbrances, easements, rights-of-way, liens, encroachments, agreements, restrictions or security interests, save and except for:
    - a. Mature claims for adverse possession;
    - b. Easements by prescription;

*Handwritten:* GST ?

- c. All reservations and restrictions contained in the Crown patents, including but not necessarily limited to:
  - i. The requirement that all ores or minerals raised or removed from the Property be treated and refined within Canada;
  - ii. Five percent of the acreage for roads and the right to lay out the same;
  - iii. All trees including the right to enter upon the lands to remove such timber;
  - iv. The free use, passage and enjoyment of all navigable waters flowing on the Property;
  - v. Right of access to the shores of all rivers, streams and lakes;
  - vi. Right to use the banks of all rivers, streams and lakes, up to one chain in depth, for fishery purposes;
  - vii. Right of way reserved to the Algoma Central and Hudson Bay Railway;
  - viii. The restriction that no surface mining operations be carried on within 150 feet of the limits of any highway or road maintained by the Department of Highways unless the written consent of the Minister of Mines is obtained; and
  - ix. Assurance Fees of  $\frac{1}{4}$  percent on the value of the land and of timber and minerals removed therefrom and  $\frac{1}{10}$  per cent on buildings (not less than \$1.00), which must be paid before any dealing therewith;
- d. Any escheats to the Crown resulting from non-compliance by persons other than the Vendor with reservations or restrictions in any Crown Patents or any applicable legislation;
- e. Escheats to the Crown as a result of the non-existence of any corporate owner prior to the Vendor during its period of ownership of all or any part of the Property
- f. The Property has no legal access to a provincial or municipal roadway, whether in conjunction with or access over private roads;
- g. The lands represented by PINs 31158-0013, 31158-0049, and 31158-0028 no longer have surface rights over part of the lands, as such surface rights were transferred out by a prior owner under instrument LT49665 to the Algoma Central and Hudson Bay Railway Company;
- h. All qualifiers contained in s.44 of the *Land Titles Act* (Ontario);
- i. Notice registered as instrument LT254680;
- j. Notice registered as instrument AL40749; and
- k. Aboriginal land claims.
- l. the Vendor makes no representation or warranty with respect to:
  - i. The size of any mining claim;
  - ii. The dimensions of any mining claim; or
  - iii. Legal access to the Property.

- (ii) That the Vendor is the registered and beneficial owner of the Property and the Vendor has the absolute right to sell, transfer and convey the Property to the Purchaser;
  - (iii) That the Vendor, if a corporation, is a corporation duly organized and validly existing under the laws of Ontario;
  - (iv) That the Vendor has full power and authority, corporate or otherwise, to execute and deliver this Agreement and all documents associated herewith;
  - (vi) That the execution, delivery and performance by the Vendor of this Agreement and the other documents and the consummation of this Agreement will not:
    - (a) Result in the breach of any of the terms or conditions of, or constitute a default under, or in any manner release any party thereto from any obligation under, any lien, note, bond, indenture, contract, agreement, licence or other instrument or obligation of any kind or nature by which the Vendor or the Vendor's assets may be bound;
    - (b) Violate any order, writ, injunction, regulation, statute or decree of any court, administrative agency, or governmental authority specifically applicable to the Vendor's assets;
    - (c) Violate any provision (if applicable) of the articles of incorporation, by-laws, charter or constituting documents (collectively the "Articles") or the Vendor.
    - (d) That no consent, approval, order or authorization of, or declaration, filing or registration with, any person, entity or governmental authority is required to be made or obtained by the Vendor in connection with the authorization, execution, or performance by the Vendor of this Agreement;
    - (e) That the Vendor is not in violation of any law, regulation or requirement applicable to it in connection with the Property.
    - (f) No other person, firm, corporation, association or entity other than the Purchaser has any written or oral agreement, option, right of first refusal, understanding or commitment for the purchase from the Vendor of any interest in the Property or any part thereof;
21. On the Closing Date the Vendor shall provide to the Purchaser the following documentation:

- (a) Section 116 Certificate; and
- (b) Registrable Transfer/Deed of Land with Planning Act consent.

22. On the Closing Date, the Purchaser shall provide to the Vendor the following documentation :

- (a) GST Certificate;
- (b) Registered Charge/Mortgage of Land in form and content identified in Schedules B and B.1;
- (c) Payment as required under the Mortgage

23. The Vendor and the Purchaser covenant and agree to cause their respective solicitors to enter into a document registration agreement (the "DRA") to govern the electronic submission of the transfer/deed for the Property to the applicable Land Registry Office which Agreement is attached hereto as Schedule "F". The DRA shall outline or establish the procedures and timing for completing all registrations electronically and provide for all closing documents and closing funds to be held in escrow pending the submission of the transfer/deed to the Land Registry Office and its acceptance by virtue of being assigned a registration number. The DRA shall also provide that if there is a problem with the Teraview electronic registration system which does not allow the parties to electronically register all registration documents on Closing, the Closing Date shall be deemed to be extended until the next day when the said system is accessible and operating for the applicable Land Registry Office applicable to the Property.

24. INTENTIONALLY DELETED

25. This Agreement may be executed in counterparts and may be delivered by facsimile to the Vendor's or Purchaser's solicitor's provided the original is forwarded forthwith.

**DIANOR RESOURCES INC.**

---

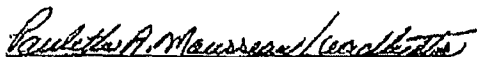
Name:

Title:


I have the authority to bind the Corporation.

7

SIGNED, SEALED AND DELIVERED  
in the presence of

  
Paulette A. Mousseau-Leadbetter

3814793 Canada Inc.

  
Name: Joseph Leadbetter  
Title: President  
I have the authority to bind the Corporation.

**Vendor's Solicitor:**

Name: Neil Wiener  
Address: Heenan Blaikie LLP  
1250 René-Lévesque Blvd.  
West, Suite 2500  
Montreal, Quebec H3B 4Y1  
Phone Number: (514) 846-2208

Name: Andrea White  
Address: Heenan Blaikie LLP  
P.O. Box 185  
Suite 2600, 200 Bay Street  
South Tower,  
Royal Bank Plaza  
Toronto, ON M5J 2J4  
Phone Number: (416) 643-6819

**Purchaser's Solicitor:**

Name: Nicholas J. Pustina/Roderick  
W. Johansen  
Address: 1136 Alloy Drive  
Thunder Bay, Ontario  
P7B 6M9  
Phone Number: (807) 348-3000  
Toll Free Number: 1-800-263-0578

7



## SCHEDULE "A"

PIN 31158 – 0103 LT	Fee Simple – Surface Rights
PIN 31158 – 0100 LT	Fee Simple – Surface Rights
PIN 31158 – 0102 LT	Fee Simple – Surface Rights
PIN 31158 – 0005 LT	Fee Simple – Surface Rights
PIN 31158 – 0004 LT	Fee Simple – Surface Rights
PIN 31158 – 0006 LT	Fee Simple – Surface Rights
PIN 31158 – 0007 LT	Fee Simple – Surface Rights
PIN 31158 – 0008 LT	Fee Simple – Surface Rights
PIN 31158 – 0009 LT	Fee Simple – Surface Rights
PIN 31158 – 0010 LT	Fee Simple – Surface Rights
PIN 31158 – 0011 LT	Fee Simple – Surface Rights
PIN 31158 – 0012 LT	Fee Simple – Surface Rights
PIN 31158 – 0013 LT	Fee Simple – Surface Rights (excepting those surface rights in Instrument LT49665)
PIN 31158 – 0014 LT	Fee Simple – Surface Rights
PIN 31158 – 0015 LT	Fee Simple – Surface Rights
PIN 31158 – 0028 LT	Fee Simple – Surface Rights (excepting those surface rights in Instrument LT49665)
PIN 31158 – 0031 LT	Fee Simple – Surface Rights
PIN 31158 – 0033 LT	Fee Simple – Surface Rights
PIN 31158 – 0036 LT	Fee Simple – Surface Rights

PIN 31158 – 0039 LT	Fee Simple – Surface Rights
PIN 31158 – 0043 LT	Fee Simple – Surface Rights
PIN 31158 – 0048 LT	Fee Simple – Surface Rights
PIN 31158 – 0049 LT	Fee Simple – Surface Rights (excepting those surface rights in Instrument LT49665)
PIN 31158 – 0055 LT	Fee Simple – Surface Rights
PIN 31158 – 0056 LT	Fee Simple – Surface Rights
PIN 31158 – 0060 LT	Fee Simple – Surface Rights
PIN 31158 – 0067 LT	Fee Simple – Surface Rights
PIN 31158 – 0071 LT	Fee Simple – Surface Rights
PIN 31158 – 0074 LT	Fee Simple – Surface Rights

Nineteen (19) Crown Land mining claims (the "Mining Claims") situated in Chabanel Township in the District of Algoma, more particularly 1243318, 1243319, 1243325, 1243332, 1243335, 1243336, 1243363, 1243365, 1243369, 1243373, 1243377, 1243509, 1243510, 1235746, 1235747, 1235754, 1235757, 1235758 and 1235759 (the "Property")

**NOTE:**

The following Surface Rights are retained by the Vendor:

PIN 31158 – 0025  
 PIN 31158 – 0026  
 PIN 31158 – 0024  
 PIN 31158 – 0029

SCHEDULE "B"

INSERT FORM OF CHARGE/MORTGAGE

LRO # 1 Charge/Mortgage

In preparation on 2008 11 25 at 10:32

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 4

**Properties**

<b>PIN</b>	31158 - 0103 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM17358 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7081; MINING CLAIM SSM17359 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7082; MINING CLAIM SSM17362 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED LAKE AS SHOWN ON PL ATTACHED TO PATENT A7086; MINING CLAIM SSM17363 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7088; MINING CLAIM SSM17361 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A 7084 EXCEPT THE SRO ON AND OVER A STRIP OF LAND 200 FT IN PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; PT MINING CLAIM SSM17350 CHABANEL NOT COVERED BY THE WATER OF LENA LAKE BUT INCLUDING LAND UNDER THE WATER OF AN UNNAMED LAKE WITHIN THE LIMITS OF THIS MINING CLAIM AS SHOWN ON PL ATTACHED TO PATENT A7063 EXCEPT THE SRO ON AND OVER A STRIP OF LAND 200 FT IN PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0100 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM17333 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7046; MINING CLAIM SSM17334 CHABANEL AS SHOWN ON PLAN ATTACHED TO PATENT A7046; MINING CLAIM SSM17335 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7047; MINING CLAIM SSM17336 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7048; MINING CLAIM SSM17337 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7049; MINING CLAIM SSM17338 CHABANEL BEING LAND AND LAND UNDER THE WATER OF THE TWO UNNAMED PONDS AS SHOWN ON PL ATTACHED TO PATENT A7060; MINING CLAIM SSM17339 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7061; MINING CLAIM SSM17340 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7062; MINING CLAIM SSM17341 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7063; MINING CLAIM SSM17342 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7054; MINING CLAIM SSM17343 CHABANEL BEING LAND AND LAND UNDER THE WATER OF BROOKS LAKE AS SHOWN ON PL ATTACHED TO PATENT A7055; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0102 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; PT MINING CLAIM SSM17650 CHABANEL NOT COVERED BY THE WATERS OF LENA LAKE AS SHOWN ON PLAN ATTACHED TO PATENT A-7037 EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF LENA LAKE WHICH STRIP IS BOUNDED BY THE HIGH WATER MARK OF LENA LAKE AND BY A LINE EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0005 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM18637 CHABANEL; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0004 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM16443 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF BROOKS LAKE; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0006 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM18638 CHABANEL; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0007 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; PT MINING CLAIM SSM18639 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0008 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM18640 CHABANEL, BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			

LRO # 1 Charge/Mortgage

In preparation on 2008 11 26 at 10:32

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yyyy mm dd Page 2 of 4

Properties				
PIN	31158 - 0009 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; PT MINING CLAIM SSM18641 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE, AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0010 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; PT MINING CLAIM SSM18642 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0011 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; MINING CLAIM SSM18643 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0012 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; MINING CLAIM SSM18644 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0013 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; PT MINING CLAIM SSM18645 CHABANEL AS IN A7369 EXCEPT SRO IN LT49665; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0014 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; MINING CLAIM SSM23011 CHABANEL; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0015 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; MINING CLAIM SSM23012 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0025 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; MINING CLAIM SSM23543 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0031 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; MINING CLAIM SSM22674 CHABANEL; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0033 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; MINING CLAIM SSM13687 CHABANEL; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0035 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; MINING CLAIM SSM23544 CHABANEL; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0039 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; MINING CLAIM SSM22714 CHABANEL; MICHIPICOTEN			
Address	MICHIPICOTEN			
PIN	31158 - 0043 LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SURFACE RIGHTS ONLY; MINING CLAIM SSM13686 CHABANEL; MICHIPICOTEN			
Address	MICHIPICOTEN			

LRO # 1 Charge/Mortgage

In preparation on 2008 11 25 at 10:32

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**Properties**

<b>PIN</b>	31158 - 0048 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM22946 CHABANEL; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0049 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; PT MINING CLAIM SSM22946 CHABANEL AS IN A7391 EXCEPT SRO IN LT49685; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0055 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM22718 CHABANEL EXCEPT SRO IN LT49685; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0056 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM22719 CHABANEL; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0060 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM22726 CHABANEL; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0067 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM22721 CHABANEL; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0071 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM22722 CHABANEL EXCEPT SRO IN LT49685; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			
<b>PIN</b>	31158 - 0074 LT	<b>Interest/Estate</b>	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> <b>Redescription</b>
<b>Description</b>	SURFACE RIGHTS ONLY; MINING CLAIM SSM13683 CHABANEL EXCEPT THEREOUT AND THEREFROM THE ROW OF THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY CROSSING THE SAID LANDS; MICHIPICOTEN			
<b>Address</b>	MICHIPICOTEN			

**Chargor(s)**

The chargor(s) hereby charges the land to the chargee(s). The chargee(s) acknowledges the receipt of the charge and the standard charge terms, if any.

**Name** DIANOR RESOURCES INC.  
Acting as a company  
**Address for Service** 649, 3rd avenue, 2nd floor  
Val-d'Or, Quebec J9P 1S7  
Attention: John Ryder, President

I, John Ryder, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

**Chargee(s)****Capacity****Share**

<b>Name</b>	3814783 CANADA INC. Acting as a company	<b>Capacity</b>	Tenants In Common	<b>Share</b>	as to an undivided 20% interest
<b>Address for Service</b>	1 Gold Street Wawa, ON P0S 1K0				

LRO # 1 Charge/Mortgage

In preparation on 2008 11 25 at 10:32

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yyyy mm dd Page 4 of 4

Chargee(s)	Capacity	Share
Name LEADBETTER, PAULETTE Acting as an individual	Tenants in Common	as to an undivided 10% interest
Address for Service 1 Gold Street Wawa, ON P0S 1K0		
Name 1534903 ONTARIO LTD. Acting as a company	Tenants in Common	as to an undivided 70% interest
Address for Service 1 Gold Street Wawa, ON P0S 1K0		

**Statements**

Schedule: See Schedules

**Provisions**

Principal	\$ 5,000,000.00	Currency	CDN
Calculation Period	See Schedule A		
Balance Due Date	2012/09/13		
Interest Rate	See Schedule A		
Payments			
Interest Adjustment Date			
Payment Date	See schedule A		
First Payment Date			
Last Payment Date			
Standard Charge Terms	200033		
Insurance Amount	full insurable value		
Guarantor			

**File Number**

Chargor Client File Number : 42884-010

Chargee Client File Number : 42884-010

**CHARGEES' INTEREST**

LEADBETTER, Paulette  
As to an undivided 10% interest  
AS TENANTS IN COMMON

- And -

3814793 CANADA INC.,  
as to an undivided 20% interest  
AS TENANTS IN COMMON

- And -

1684903 ONTARIO LTD.  
As to an undivided 70% interest  
AS TENANTS IN COMMON



EXECUTION COPY

**SCHEDULE A  
to Schedule B**

**Payment Schedule**

January 31, 2009	\$50,000.00
January 31, 2009	\$50,000.00
January 31, 2009	\$221,425.00
January 31, 2009	\$50,000.00
January 31, 2009	\$60,000.00
November 30, 2009	\$178,575.00
November 30, 2009	\$900,000.00
November 30, 2010	\$200,000.00
November 30, 2010	\$875,000.00
November 30, 2011	\$175,000.00
November 30, 2011	\$875,000.00
November 30, 2012	\$175,000.00
November 30, 2012	\$1,250,000.00

Throughout the term of this Charge/Mortgage of Land the Chargor and Chargee shall cooperate with each other with respect to the mining activity of the Chargor in relation to the mineral rights of patented mining claims SSM 21166 and SSM 21167.

In the event of non-payment of any of the scheduled payments set out in this Schedule, an extension for payment shall be negotiated by John Joseph Leadbetter on behalf of the Vendors and by the Chief Executive Officer of the Purchaser, each acting reasonably, within thirty (30) calendar days of a default. If an agreement for resolution of the non-payment cannot be reached within such time period, then all amounts owing under the terms of this Agreement shall become immediately due and payable.

In the event of default not cured within thirty (30) calendar days the entire balance then outstanding under this Mortgage shall be immediately due and payable, together with interest at the rate of 10% per annum and costs on a substantial indemnity basis for all costs incurred in enforcing payment of the obligations of the Purchaser under this Mortgage.

In the event of a merger, amalgamation, change in control, successful take over bid or other similar event with respect to the Chargor ("Change in Control") then all amounts then outstanding under this Charge/Mortgage of Land shall become due and payable at the sole and exclusive option of the Chargee, exercised on thirty (30) days' notice.

The Chargor shall have the right to prepay the outstanding balance due under this Charge/Mortgage of Land without penalty, notice or bonus.

11

SCHEDULE B.1

INSERT FORM OF MORTGAGE ON CROWN LAND

### Document yourself using The Calculator

**SCHEDULE TO  
CHARGE/MORTGAGE OF UNPATENTED MINING CLAIMS  
SAULT STE. MARIE MINING DIVISION; MINING CLAIMS NOS.:  
SSM1243318; SSM1243319; SSM1243325; SSM1243332; SSM1243335;  
SSM1243336; SSM1243363; SSM1243365; SSM1243369; SSM1243373;  
SSM1243377; SSM1243509; SSM1243510; SSM1235748;  
SSM1235747; SSM1235754; SSM1235757; SSM1235758; and SSM1235759  
ALL IN THE CHABANEL TOWNSHIP AREA**

**(14) Chargees:**

(Name)	(Signature)	(Date of Signature)
3814793 CANADA INC. (Chargee)	Per: _____ Joseph Leadbetter President I have authority to bind the Corporation.	2008/____/____

**As to an undivided 20% interest  
AS TENANTS IN COMMON.**

- AND -

1584903 ONTARIO LTD. (Chargee)	Per: _____ Name: Joseph Leadbetter Title: President I have authority to bind the Corporation	2008/____/____
-----------------------------------	--	----------------

**As to an undivided 70% interest  
AS TENANTS IN COMMON**

- AND -

LEADBETTER, Paulette (Chargee)	_____ 2008/____/____
-----------------------------------	-------------------------

**As to an undivided 10% interest  
AS TENANTS IN COMMON.**

**Address for Service:  
1 Gold Street, Wawa, ON P0S 1K0**

**SCHEDULE A  
to Schedule B.1**

**Payment Schedule**

January 31, 2009	\$50,000.00
January 31, 2009	\$50,000.00
January 31, 2009	\$221,425.00
January 31, 2009	\$50,000.00
January 31, 2009	\$60,000.00
November 30, 2009	\$178,575.00
November 30, 2009	\$900,000.00
November 30, 2010	\$200,000.00
November 30, 2010	\$875,000.00
November 30, 2011	\$175,000.00
November 30, 2011	\$875,000.00
November 30, 2012	\$175,000.00
November 30, 2012	\$1,250,000.00

Throughout the term of this Charge/Mortgage of Land the Chargor and Chargee shall cooperate with each other with respect to the mining activity of the Chargor in relation to the mineral rights of patented mining claims SSM 21166 and SSM 21167.

In the event of non-payment of any of the scheduled payments set out in this Schedule, an extension for payment shall be negotiated by John Joseph Leadbetter on behalf of the Vendors and by the Chief Executive Officer of the Purchaser, each acting reasonably, within thirty (30) calendar days of a default. If an agreement for resolution of the non-payment cannot be reached within such time period, then all amounts owing under the terms of this Agreement shall become immediately due and payable.

In the event of default not cured within thirty (30) calendar days the entire balance then outstanding under this Mortgage shall be immediately due and payable, together with interest at the rate of 10% per annum and costs on a substantial indemnity basis for all costs incurred in enforcing payment of the obligations of the Purchaser under this Mortgage.

In the event of a merger, amalgamation, change in control, successful take over bid or other similar events with respect to the Chargor ("Change in Control") then all amounts then outstanding under this Charge/Mortgage of Land shall become due and payable at the sole and exclusive option of the Chargee, exercised on thirty (30) days' notice.

The Chargor shall have the right to prepay the outstanding balance due under this Charge/Mortgage of Land without penalty, notice or bonus.

**Land Registration Reform Act**  
**SET OF STANDARD CHARGE TERMS**

Filed by  
Dye & Durham Co. Inc.

Filing Date: November 30, 1993

Filing number: 9320

*The following Set of Standard Charge Terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act.*

- |  |   |
|--|---|
| Exclusion of<br>Statutory<br>Covenants | 1. The implied covenants deemed to be included in a charge under subsection 7(1) of the Land Registration Reform Act as amended or re-enacted are excluded from the Charge.   |
| Right to<br>Charge the<br>Land         | 2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge.  |
| No Act to<br>Encumber                  | 3. The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose.  |
| Good Title in<br>Fee Simple            | 4. The Chargor, at the time of the execution and delivery of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisions, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown.  |
| Promises to<br>Pay and<br>Perform      | 5. The Chargor will pay or cause to be paid to the Chargee, the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.   |
| Interest After<br>Default              | 6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land.   |
| No Obligation<br>to Advance            | 7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon the execution of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand thereof, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.  |
| Costs Added<br>to Principal            | 8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, transacting title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.   |
| Power of<br>Sale                       | 9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgage Act. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situated and such notice shall be sufficient although not addressed to any person or persons by name or designation, and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly |

one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or resold or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargee only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

*Right of Possession*

10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, stall, hindrance, interruption or denial of the Chargee or any other person or persons whatsoever.

*Right to Distress*

11. If the Chargee shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distress therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distress for arrears of principal in the same manner as if the same were arrears of interest.

*Further Assurances*

12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargee and all and every other person whosever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargee make, do, suffer and execute, or cause or procure to be made, done, suffered and executed, all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.

*Acceleration of Principal and Interest*

13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.

*Unapproved Sale*

14. If the Chargee sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.

*Partial Release*

15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargee for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.

*Obligation to Insure*

16. The Chargee will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargee and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargee with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

*Obligation to Repair*

17. The Chargee will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargee shall neglect to keep the buildings, erections and improvements in good condition and repair, or commit or permits any act or waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisions, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies here contained may be exercised forthwith.

- Building Charge** 18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all costs from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or as of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances on the Chargee is satisfied that the Chargor has complied with the holdback provisions of the Construction Lien Act as amended or reenacted. The Chargor authorizes the Chargee to provide information about the Charge to a person claiming a construction lien on the land.
- Extension Not to Prejudice** 19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the right of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increase rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.
- No Merger of Covenants** 20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenant or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.
- Change in Status** 21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the Family Law Act, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the Family Law Act. If furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.
- Condominium Provisions** 22. If the Charge is of land within a condominium registered pursuant to the Condominium Act (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the corporation on the due dates, if the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage, in addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction, or damage by fire and other perils usually covered in the insurance policies and against such other perils as the Chargee requires for the full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supercedes the provisions of paragraph 16 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.
- Discharge** 23. The discharge of the Charge shall be prepared by the Chargee and all legal and other expenses for the preparation and execution of such discharge shall be borne by the Chargor.
- Guarantee** 24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
  - Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
  - Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect



the liability of the Chargor for payment thereof but such liability shall remain undiminished and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.

- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

Date of  
Charge

Interpretation

23. The date of the Charge unless otherwise provided shall be the earliest date of signature by a Chargor.

In construing these covenants the words "Charge", "Chargee", "Chargor", "and" and "successor" shall have the meanings assigned to them in Section 1 of the Land Registration Reform Act and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therein shall be read and construed as "Chargors", "Chargees", "Chargor" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verbs agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargees, Chargee or Chargees, shall be equally secured to and exercisable by him, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargees, Chargee or Chargees, shall be equally binding upon him, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several. And the headings beside each paragraph herein are for reference purposes only and do not form part of the covenants herein contained.

#### ACKNOWLEDGMENT

This Set of Standard Charge Terms is included in a Charge dated the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_  
made by \_\_\_\_\_

as Chargor(s)

To

as Chargee(s)

as Guarantor(s)

and each Chargor and \_\_\_\_\_ hereby acknowledges receipt of a copy of this Set of Standard Charge Terms before signing the Charge.

One/n/1972

## SCHEDULE C

JULY 25<sup>th</sup> 2005

This confirms that 3814793 CANADA INC. has received the sum of ONE HUNDRED and SEVENTY ONE THOUSAND FOUR HUNDRED and TWENTY FIVE DOLLARS (CDN \$ 171,425.00) from Dioror Resources Inc. of Val d'Or, Quebec. The funds were received on June 15<sup>th</sup> 2005 and are an advance payment for the future purchase of property.

FOR 3814793 CANADA INC.

*Paulette Mousseau-Leadbetter (President)*  
Paulette Mousseau-Leadbetter, President

## SCHEDULE D

## RELEASE

KNOW ALL MEN BY THESE PRESENTS that DIANOR RESOURCES INC. (hereinafter referred to as the "Releasor") hereby, in consideration of the sum of one DOLLAR (\$1.00), and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, does hereby remise, release and forever discharge 3814793 CANADA INC. (the "Releasee") from all manner of actions, causes of action, suits, debts, liens, dues, accounts, bonds, covenants, contracts, claims and demands whatsoever which heretofore may have been or may hereafter be maintained by the Releasor, directly or indirectly with respect to a Promissory Note made by the Releasee in favour of the Releasor dated July 25, 2005 in the amount of \$171,425.00, a copy of which is attached hereto as Schedule D.1.

AND FOR THE AFORESAID consideration, the Releasor further agrees not to make claim, sue or continue suit against any other person or corporation which may or does claim contribution or indemnity, at law, in equity, or by statute, against the Releasee, and further undertakes to indemnify the Releasee in respect of the making or continuation of any such action, claim, demand or proceeding.

AND IT IS UNDERSTOOD and agreed that the aforesaid payment and consideration is deemed not to be an admission of liability on the part of the Releasee.

AND IT IS UNDERSTOOD and agreed that the fact of this settlement between the Releasor and the Releasee and the terms of same are confidential to the parties and must not be disclosed to any person, save and except counsel representing the parties and as may be required by law.

AND IT IS HEREBY DECLARED that the terms of this Release are fully understood and that this Release is given voluntarily for the purpose of making a full compromise, adjustment and settlement of all claims as aforesaid.

AS WITNESS the hand and seal of the Releasor this 31<sup>st</sup> day of January, 2009.

**DIANOR RESOURCES INC.**

Per:

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

Title:

*I have authority to bind the Corporation.*

## SCHEDULE D.1

JULY 25<sup>th</sup> 2005

This confirms that 3814793 CANADA INC. has received the sum of ONE HUNDRED and SEVENTY ONE THOUSAND FOUR HUNDRED and TWENTY FIVE DOLLARS (CDN \$ 171,425.00) from Dioror Resources Inc. of Val d'Or, Quebec. The funds were received on June 15<sup>th</sup> 2005 and are an advance payment for the future purchase of property.

FOR 3814793 CANADA INC.

*Paullette Mousseau-Loudbotter* (President)  
Paullette Mousseau-Loudbotter, President

SCHEDULE "E"

RELEASE

KNOW ALL MEN BY THESE PRESENTS that DIANOR RESOURCES INC. (hereinafter referred to as the "Releasor") hereby, in consideration of the sum of one DOLLAR (\$1.00), and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, does hereby remise, release and forever discharge \$814783 CANADA INC. and Paulella Moussassi-Leadbetter (the "Releasees") from all manner of actions, causes of action, suits, debts, liens, dues, accounts, bonds, covenants, contracts, claims and demands whatsoever which heretofore may have been or may hereafter be maintained by the Releasor, directly or indirectly with respect to the Mining Claims as set out in Schedule "E" attached hereto (the "Mining Claims") and specifically releases any and all interest in the Mining Claims.

AND FOR THE AFORESAID consideration, the Releasor further agrees not to make claim, sue or continue suit against any other person or corporation which may or does claim contribution or indemnity, at law, in equity, or by statute, against the Releasees, and further undertakes to indemnify the Releasees in respect of the making or continuation of any such action, claim, demand or proceeding.

AND IT IS UNDERSTOOD and agreed that the aforesaid payment and consideration is deemed not to be an admission of liability on the part of the Releasees.

AND IT IS UNDERSTOOD and agreed that the fact of this settlement between the Releasor and the Releasees and the terms of same are confidential to the parties and must not be disclosed to any person, save and except counsel representing the parties and as may be required by law.

AND IT IS HEREBY DECLARED that the terms of this Release are fully understood and that this Release is given voluntarily for the purpose of making a full compromise, adjustment and settlement of all claims as aforesaid.

AS WITNESS the hand and seal of the Releasor this 31st day of Jan., 2009

DIANOR RESOURCES INC.  
Per:

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

I have authority to bind the Corporation.



## SCHEDULE 'F'

## DOCUMENT REGISTRATION AGREEMENT

BETWEEN:

HRENAN BLANKIE LLP

(hereinafter referred to as the "Purchaser's Solicitor")

AND:

CARREL + PARTNERS LLP

(hereinafter referred to as the "Vendor's Solicitor")

RE: Dianor Resources Inc. (the "Purchaser") purchase from 3814793 Canada Inc. and Paulette A. Mousseau-Leadbetter (collectively the "Vendor") of lands as described in the attached Agreement of Purchase and Sale (the "Property") pursuant to an agreement of purchase and sale dated \_\_\_\_\_, 2008, as amended from time to time (the "Purchase Agreement"), scheduled to be completed on \_\_\_\_\_, 2008 (the "Closing Date")

FOR GOOD AND VALUABLE CONSIDERATION (the receipt and sufficiency of which is hereby expressly acknowledged), the parties hereto hereby undertake and agree as follows:

Holding Deliveries  
in Escrow

1. The Vendor's Solicitor and the Purchaser's Solicitor shall hold all funds, keys and closing documentation exchanged between them (the "Requisite Deliveries") in escrow, and shall not release or otherwise deal with same except in accordance with the terms of this Agreement. Both the Vendor's Solicitor and the Purchaser's Solicitor have been authorized by their respective clients to enter into this Agreement. Once the Requisite Deliveries can be released in accordance with the terms of this Agreement, any monies representing payout funds for mortgages to be discharged shall be forwarded promptly to the appropriate mortgage lender.<sup>1</sup>

Advising of  
Concerns with  
Deliveries

2. Each of the parties hereto shall notify the other as soon as reasonably possible following their respective receipt of the Requisite Deliveries (as applicable) of any defect(s) with respect to same.

Selecting Solicitor  
Responsible for  
Registration

3. The Purchaser's Solicitor shall be responsible for the registration of the Electronic Documents (as hereinafter defined) unless the box set out below indicating that the Vendor's Solicitor will be responsible for such registration has been checked. For the purposes of this Agreement, the solicitor responsible for such registration shall be referred to as the "Registering Solicitor" and the other solicitor shall be referred to as the "Non-Registering Solicitor":

Vendor's Solicitor will be registering the Electronic Documents ☐

Responsibility of  
Non-Registering  
Solicitor

4. The Non-Registering Solicitor shall, upon his/her receipt and approval of the Requisite Deliveries (as applicable), electronically release for registration the Electronic Documents and shall thereafter be entitled to release the Requisite Deliveries from escrow forthwith following the earlier of:

and

Release of  
Requisite Deliveries  
by  
Non-Registering  
Solicitor

- a) the registration of the Electronic Documents;
- b) the closing time specified in the Purchase Agreement unless a specific time has been inserted as follows [5:00 p.m. on the Closing Date] (the "Release Deadline"), and provided that notice under paragraph 7 below has not been received; or
- c) receipt of notification from the Registering Solicitor of the registration of the Electronic Documents.

If the Purchase Agreement does not specify a closing time and a Release Deadline has not been specifically inserted the Release Deadline shall be 6.00 p.m. on the Closing Date.

<sup>1</sup>Solicitors should continue to refer to the Law Society of Upper Canada practice guidelines relating to recommended procedures to follow for the discharge of mortgages.

Responsibility of Registering Solicitor	5. The Registering Solicitor shall, subject to paragraph 7 below, on the Closing Date, following his/her receipt and approval of the Requisite Deliveries (as applicable), register the documents listed in Schedule "A" annexed hereto (referred to in this agreement as the "Electronic Documents") in the stated order of priority therein set out, as soon as reasonably possible once same have been released for registration by the Non-Registering Solicitor, and immediately thereafter notify the Non-Registering Solicitor of the registration particulars thereof by telephone or telefax (or other method as agreed between the parties).
Release of Requisite Deliveries by Registering Solicitor	6. Upon registration of the Electronic Documents and notification of the Non-Registering solicitor in accordance with paragraph 5 above, the Registering Solicitor shall be entitled to forthwith release the Requisite Deliveries from escrow.
Returning Deliveries when Non-registration	7. Any of the parties hereto may notify the other party that he/she does not wish to proceed with the registration of the Electronic Documents, and provided that such notice is received by the other party before the release of the Requisite Deliveries pursuant to this Agreement and before the registration of the Electronic Documents, then each of the parties hereto shall forthwith return to the other party their respective Requisite Deliveries.
Counterparts & Gender	8. This Agreement may be signed in counterparts, and shall be read with all changes of gender and/or number as may be required by the context.
Purchase Agreement Prevails if Conflict or Inconsistency	9. Nothing contained in this Agreement shall be read or construed as altering the respective rights and obligations of the Purchaser and the Vendor as more particularly set out in the Purchase Agreement, and in the event of any conflict or inconsistency between the provisions of this Agreement and the Purchase Agreement, then the latter shall prevail.
Telexing Deliveries & Providing Originals if Requested	10. This Agreement (or any counterpart hereof), and any of the closing documents hereinbefore contemplated, may be exchanged by telefax or similar system reproducing the original, provided that all such documents have been properly executed by the appropriate parties. The party transmitting any such document(s) shall also provide the original executed version(s) of same to the recipient within 2 business days after the Closing Date, unless the recipient has indicated that he/she does not require such original copies.

Dated this \_\_\_\_ day of September, 2008.

Dated this \_\_\_\_ day of September, 2008.

Name/Firm Name of Vendor's Solicitor

Name/Firm Name of Purchaser's Solicitor

CARREL PARTNERS LLP  
1136 Alroy Drive  
Thunder Bay, ON P7B 6M9

HEENAN BLAIR LLP  
200 Bay Street, Suite 2600  
Royal Bank Plaza, South Tower  
Toronto, ON M5T 2M4

Johanna Maki

Andrea White

Name of Person Signing

Name of Person Signing

(Signature)

(Signature)

Note: This version of the Document Registration Agreement was adopted by the Joint LSUC-CBAO Committee on Electronic Registration of Title Documents on March 29, 2004 and posted to the web site on April 8, 2004

#### SCHEDULE "A"

1. Transfer/Deed of Land
2. Mortgage/Charge of Land (Schedule 'B' to Agreement)

HBdocs - 4121914v1

<sup>2</sup> For the purpose of this Agreement, the term "registration" shall mean the issuance of registration number(s) in respect of the Electronic Documents by the appropriate Land Registry Office.





Tab G

This is **Exhibit "G"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.



---

A COMMISSIONER FOR TAKING AFFIDAVITS

Shar N. Roy

LRO # 1 Charge/Mortgage

Registered as AL47217 on 2008 12 02 at 16:41

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 6

**Properties**

<i>PIN</i>	31158 - 0103 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PCL 12786 SEC AWS; MINING CLAIM SSM17358 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7061; MINING CLAIM SSM17359 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7062; MINING CLAIM SSM17362 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED LAKE AS SHOWN ON PL ATTACHED TO PATENT A7065; MINING CLAIM SSM17363 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7066; MINING CLAIM SSM17361 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A 7064 EXCEPT THE SRO ON AND OVER A STRIP OF LAND 200 FT IN PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; PT MINING CLAIM SSM17360 CHABANEL NOT COVERED BY THE WATER OF LENA LAKE BUT INCLUDING LAND UNDER THE WATER OF AN UNNAMED LAKE WITHIN THE LIMITS OF THIS MINING CLAIM AS SHOWN ON PL ATTACHED TO PATENT A7063 EXCEPT THE SRO ON AND OVER A STRIP OF LAND 200 FT IN PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; MICHIPICOTEN		
<i>Address</i>	MICHIPICOTEN		
<i>PIN</i>	31158 - 0100 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PCL 12787 SEC AWS; MINING CLAIM SSM17333 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7045; MINING CLAIM SSM17334 CHABANEL AS SHOWN ON PLAN ATTACHED TO PATENT A7046; MINING CLAIM SSM17335 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7047; MINING CLAIM SSM17336 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7048; MINING CLAIM SSM17337 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7049; MINING CLAIM SSM17338 CHABANEL BEING LAND AND LAND UNDER THE WATER OF THE TWO UNNAMED PONDS AS SHOWN ON PL ATTACHED TO PATENT A7050; MINING CLAIM SSM17339 CHABANEL BEING LAND AND LAND UNDER THE WATER FO AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7051; MINING CLAIM SSM17340 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7052; MINING CLAIM SSM17341 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7053; MINING CLAIM SSM17342 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7054; MINING CLAIM SSM17343 CHABANEL BEING LAND AND LAND UNDER THE WATER OF BROOKS LAKE AS SHOWN ON PL ATTACHED TO PATENT A7055; MICHIPICOTEN		
<i>Address</i>	MICHIPICOTEN		
<i>PIN</i>	31158 - 0102 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PCL 12788 SEC AWS; PT MINING CLAIM SSM17650 CHABANEL NOT COVERED BY THE WATERS OF LENA LAKE AS SHOWN ON PLAN ATTACHED TO PATENT A-7037. EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF LENA LAKE WHICH STRIP IS BOUNDED BY THE HIGH WATER MARK OF LENA LAKE AND BY A LINE EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN		
<i>Address</i>	MICHIPICOTEN		
<i>PIN</i>	31158 - 0005 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PCL 39 SEC MICH; MINING CLAIM SSM18637 CHABANEL; MICHIPICOTEN		
<i>Address</i>	MICHIPICOTEN		
<i>PIN</i>	31158 - 0004 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PCL 38 SEC MICH; MINING CLAIM SSM15445 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF BROOKS LAKE; MICHIPICOTEN		
<i>Address</i>	MICHIPICOTEN		
<i>PIN</i>	31158 - 0006 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PCL 40 SEC MICH; MINING CLAIM SSM18638 CHABANEL; MICHIPICOTEN		
<i>Address</i>	MICHIPICOTEN		
<i>PIN</i>	31158 - 0007 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PCL 41 SEC MICH; PT MINING CLAIM SSM18639 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN		
<i>Address</i>	MICHIPICOTEN		
<i>PIN</i>	31158 - 0008 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PCL 42 SEC MICH; MINING CLAIM SSM18640 CHABANEL , BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN		
<i>Address</i>	MICHIPICOTEN		

**Properties**

PIN	31158 - 0009 LT	Interest/Estate	Fee Simple
Description	PCL 43 SEC MICH; PT MINING CLAIM SSM18641 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE, AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0010 LT	Interest/Estate	Fee Simple
Description	PCL 44 SEC MICH; PT MINING CLAIM SSM18642 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0011 LT	Interest/Estate	Fee Simple
Description	PCL 45 SEC MICH; MINING CLAIM SSM18643 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0012 LT	Interest/Estate	Fee Simple
Description	PCL 46 SEC MICH; MINING CLAIM SSM18644 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0013 LT	Interest/Estate	Fee Simple
Description	PCL 47 SEC MICH; PT MINING CLAIM SSM18645 CHABANEL AS IN A7369 EXCEPT SRO IN LT49665; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0014 LT	Interest/Estate	Fee Simple
Description	PCL 48 SEC MICH; MINING CLAIM SSM23011 CHABANEL; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0015 LT	Interest/Estate	Fee Simple
Description	PCL 49 SEC MICH; MINING CLAIM SSM23012 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0028 LT	Interest/Estate	Fee Simple
Description	PCL 147 SEC MICH; MINING CLAIM SSM23543 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0031 LT	Interest/Estate	Fee Simple
Description	PCL 150 SEC MICH; MINING CLAIM SSM22874 CHABANEL; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0033 LT	Interest/Estate	Fee Simple
Description	PCL 153 SEC MICH; MINING CLAIM SSM13687 CHABANEL; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0036 LT	Interest/Estate	Fee Simple
Description	PCL 156 SEC MICH; MINING CLAIM SSM23544 CHABANEL; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0039 LT	Interest/Estate	Fee Simple
Description	PCL 182 SEC MICH; MINING CLAIM SSM22714 CHABANEL; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0043 LT	Interest/Estate	Fee Simple
Description	PCL 187 SEC MICH; MINING CLAIM SSM13686 CHABANEL; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0048 LT	Interest/Estate	Fee Simple
Description	PCL 195 SEC MICH; MINING CLAIM SSM22946 CHABANEL; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0049 LT	Interest/Estate	Fee Simple
Description	PCL 196 SEC MICH; PT MINING CLAIM SSM22945 CHABANEL AS IN A7591 EXCEPT SRO IN LT49665; MICHIPICOTEN		

Properties

Address	MICHIPICOTEN		
PIN	31158 - 0055 LT	Interest/Estate	Fee Simple
Description	PCL 207 SEC MICH; MINING CLAIM SSM22718 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0056 LT	Interest/Estate	Fee Simple
Description	PCL 208 SEC MICH; MINING CLAIM SSM22719 CHABANEL; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0060 LT	Interest/Estate	Fee Simple
Description	PCL 212 SEC MICH; MINING CLAIM SSM22726 CHABANEL; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0067 LT	Interest/Estate	Fee Simple
Description	PCL 220 SEC MICH; MINING CLAIM SSM22721 CHABANEL; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0071 LT	Interest/Estate	Fee Simple
Description	PCL 225 SEC MICH; MINING CLAIM SSM22722 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN		
Address	MICHIPICOTEN		
PIN	31158 - 0074 LT	Interest/Estate	Fee Simple
Description	PCL 229 SEC MICH; MINING CLAIM SSM13683 CHABANEL EXCEPT THEREOUT AND THEREFROM THE ROW OF THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY CROSSING THE SAID LANDS; MICHIPICOTEN		
Address	MICHIPICOTEN		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name	DIANOR RESOURCES INC.
Address for Service	649, 3rd avenue, 2nd floor Val-d'Or, Quebec J9P 1S7 Attention: John Ryder, President

I, John Ryder, President, have the authority to bind the corporation.  
This document is not authorized under Power of Attorney by this party.

Chargee(s)	Capacity	Share
Name3814793 CANADA INC.	Tenants In Common	as to an undivided 20% interest
Address for Service1 Gold Street Wawa, ON P0S 1K0		
NameLEADBETTER, PAULETTE	Tenants In Common	as to an undivided 10% interest
Address for Service1 Gold Street Wawa, ON P0S 1K0		
Name1584903 ONTARIO LTD.	Tenants In Common	as to an undivided 70% interest
Address for Service1 Gold Street Wawa, ON P0S 1K0		

Statements

Schedule: See Schedules

**Provisions**

Principal	\$5,000,000.00	Currency	CDN
Calculation Period	See Schedule A		
Balance Due Date	2012/11/30		
Interest Rate	See Schedule A		
Payments			
Interest Adjustment Date			
Payment Date	See schedule A		
First Payment Date			
Last Payment Date			
Standard Charge Terms	200033		
Insurance Amount	full insurable value		
Guarantor			

**Signed By**

Andrea Lee White	2600-200 Bay St., PO Box 185, Royal Bank Plaza, Toronto M5J 2J4	acting for Chargor (s)	Signed	2008 12 02
Tel	4163606336			
Fax	4163608425			

**Submitted By**

HEENAN BLAIKIE LLP	2600-200 Bay St., PO Box 185, Royal Bank Plaza, Toronto M5J 2J4		2008 12 15
Tel	4163606336		
Fax	4163608425		

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

**File Number**

Chargor Client File Number :	42884-010
Chargee Client File Number :	42884-010

## **CHARGEES' INTEREST**

LEADBETTER, Paulette  
**As to an undivided 10% interest  
AS TENANTS IN COMMON**

- And -

3814793 CANADA INC.,  
**as to an undivided 20% interest  
AS TENANTS IN COMMON**

- And -

1584903 ONTARIO LTD.  
**As to an undivided 70% interest  
AS TENANTS IN COMMON**



## SCHEDULE A

## Payment Schedule

January 31, 2009	\$50,000.00
January 31, 2009	\$50,000.00
January 31, 2009	\$221,425.00
January 31, 2009	\$50,000.00
November 30, 2009	\$178,575.00
November 30, 2009	\$900,000.00
November 30, 2010	\$200,000.00
November 30, 2010	\$875,000.00
November 30, 2011	\$175,000.00
November 30, 2011	\$875,000.00
November 30, 2012	\$175,000.00
November 30, 2012	\$1,250,000.00

Throughout the term of this Charge/Mortgage of Land the Chargor and Chargee shall cooperate with each other with respect to the mining activity of the Chargor in relation to the mineral rights of patented mining claims SSM 21166 and SSM 21167.

In the event of non-payment of any of the scheduled payments set out in this Schedule, an extension for payment shall be negotiated by John Joseph Leadbetter on behalf of the Vendors and by the Chief Executive Officer of the Purchaser, each acting reasonably, within thirty (30) calendar days of a default. If an agreement for resolution of the non-payment cannot be reached within such time period, then all amounts owing under the terms of this Agreement shall become immediately due and payable.

In the event of default not cured within thirty (30) calendar days the entire balance then outstanding under this Mortgage shall be immediately due and payable, together with interest at the rate of 10% per annum and costs on a substantial indemnity basis for all costs incurred in enforcing payment of the obligations of the Purchaser under this Mortgage.

In the event of a merger, amalgamation, change in control, successful take over bid or other similar event with respect to the Chargor ("Change in Control") then all amounts then outstanding under this Charge/Mortgage of Land shall become due and payable at the sole and exclusive option of the Chargee, exercised on thirty (30) days' notice.

The Chargor shall have the right to prepay the outstanding balance due under this Charge/Mortgage of Land without penalty, notice or bonus.

Tab H

This is **Exhibit "H"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.



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A COMMISSIONER FOR TAKING AFFIDAVITS

Shree N. Roy

**CARREL+Partners LLP****FAX***Barristers, Solicitors, Trademark Agents*

1136 Alloy Drive

Thunder Bay ON P7B 6M9

Telephone No. 807-346-3000

1-800-263-0578

Facsimile No. 807-346-3600

This telecommunication is governed by the laws of the solicitor-client and contains confidential information intended only for the person(s) named below. Any other distribution, copying or disclosure is strictly prohibited. If you have received this telecommunication in error, please notify us immediately by telephone at our expense and return the original transmission to us by mail without making a copy. Thank you.

<b>TO:</b>	<b>Arif Bhalwani</b>	<b>FROM:</b>	<b>Roderick W. Johansen</b>
<b>COMPANY:</b>	<b>Third Eye Capital</b>	<b>FILE NO.:</b>	<b>44860-003</b>
<b>FAX NO.:</b>	<b>416-981-3393</b>	<b>DATE:</b>	<b>January 20, 2012</b>
<b>RE:</b>	<b>Leadbetter/Dianor Resources Inc.</b>		

If you do not receive all copies, please advise sender at 807-346-3000 or in Northwestern Ontario 1-800-263-0578.

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Number of pages including cover sheet. Time Being Sent:

**MESSAGE**


- ☐ Original being sent by mail  
☐ Original being sent by courier  
☒ Original not being sent..fax only  
☐ Enclosure referred to not faxed, being mailed  
☐ Enclosure referred to not faxed, being sent by courier

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**CARREL+Partners LLP****BARRISTERS, SOLICITORS, TRADEMARK AGENTS**January 20, 2012  
44860-0031136 Alloy Drive  
Thunder Bay, Ontario  
P7B 6M9Phone: (807) 346-3000  
Fax: (807) 346-3600  
1-800-263-0578  
www.carrel.comJohn B. Carrel, Q.C.  
(1924 - 2000)Nicholas J. Pustina, Q.C. (retired)  
Kristopher H. Knutsen, Q.C.\*  
Roy D. Macgillivray\*\*  
Jack N. M. Jamieson\*  
W. Daniel Newton\*  
Roderick W. Johansen\*  
Bruce L. Latimer  
Samuel R. Bachinski\*  
Peter M. White\*  
Johanna L. Maki\*  
Cynthia A. Cline  
Robert V. Botsford  
Duncan F. MacgillivrayArif Bhalwani *Via Facsimile 416-981-3393*  
Third Eye Capital Corporation  
Brookfield Place  
TD Canada Trust Tower  
161 Bay Street, Suite 3820  
Toronto, ON M5J 2S1

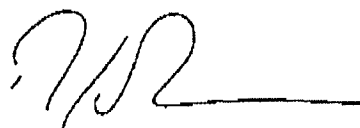
Dear Sir:

**RE: Leadbetter and Dianor Resources Inc.**

We enclose copy of the following for your information:

1. Demand letter to Dianor Resources Inc. dated January 19, 2012
2. Notice of Intention to Enforce Security

Yours truly

**CARREL+Partners LLP**Roderick W. Johansen  
RWJ/cat  
Encs.

c.c. Joseph Leadbetter (+Encs.)

*Via E-mail*

# CARREL+Partners LLP

BARRISTERS, SOLICITORS, TRADEMARK AGENTS

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January 19, 2012  
44860-003

ORIGINAL VIA REGISTERED MAIL

COPY VIA FACSIMILE 819-825-7545

1130 Main Drive  
Plymouth, Ontario  
N7H 6A9

Phone: (505) 310-3000  
Fax: (505) 310-3000  
1-800-263-0178  
www.carrel.com

John B. Carrel, Q.C.  
(1974 - 2000)

Nicholas L. Pastina, Q.C. (called)

Kristopher H. Knutsen, Q.C. \*\*

Ray D. Macgillivray \*\*

Jack W. M. Linderson \*\*

W. Daniel Newton \*\*

Kenneth W. Johansen \*\*

Bruce L. Lallier

Samuel R. Harkins \*\*

Peter M. White \*\*

Johanna L. Maki \*\*

Christina A. Cline

Robert V. Botsford

Donna E. Macgillivray

John Ryder  
President

Dianor Resources Inc.  
649, 3<sup>rd</sup> avenue, 2<sup>nd</sup> Floor  
Val-d'Or, Quebec J9P 1S7

Via E-mail jryder@dianor.com

Dear Sir:

Re: 1778778 Ontario Inc. Mortgage to Dianor Resources Inc.

We are the solicitors for 1778778 Ontario Inc.. We have been retained to collect the arrears presently owing by Dianor Resources Inc. to our client on the above-noted charge.

The total arrears outstanding as at December 30, 2011 were \$2,475,000.00. Please contact us immediately to discuss payment arrangements satisfactory to our client to avert legal action.

Our client has instructed that in the event you do not pay directly to our office in the form of a wire transfer or certified bank draft the sum of \$2,475,000.00 being the mortgage arrears of \$2,475,000.00, plus interest at the per diem rate of \$678.08 to date of payment made on or before January 31, 2012 we are to proceed with legal action.

Under the terms of the mortgage you are liable for our fees and disbursements for the collection of this mortgage account and any costs incurred by our client incidental to the action.

If we do not receive payment by January 31, 2012, we will recommend to our client that legal action be taken against you for collection of the total amount outstanding.

- Page 2 -

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All enquiries concerning this matter should be made directly to our office.

We look forward to hearing from you immediately.

Yours truly

**CARREL+Partners LLP**



Roderick W. Johansen

RWJ/cat

c.c. client

*Via E-mail*

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FORM 86  
NOTICE OF INTENTION TO ENFORCE SECURITY  
(RULE 124) OF THE *Bankruptcy and Insolvency Act*

---

TO: Dianor Resources Inc.  
649, 3<sup>rd</sup> avenue, 2<sup>nd</sup> Floor  
Val-d'Or, Quebec J9P 1S7

**TAKE NOTICE THAT:**

1. 1778778 Ontario Inc., a secured creditor, intends to enforce its security on the property of the insolvent person as set out and described in Schedule A to this Notice.
2. The Security that is to be enforced is in the form of the following:
  - a. A Charge/Mortgage of Land in favour of 1778778 Ontario Inc. on the lands described in Schedule A hereto, instrument numbers AL47217 and AL58030.
3. The total amount of the indebtedness secured by the security is \$2,475,000.00 as at December 30, 2011 with a per diem of \$678.08.
4. The secured creditor will not have the right to enforce the security until after the expiry of the ten (10) day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Thunder Bay, Ontario this 19<sup>th</sup> day of January, 2012.

1778778 ONTARIO INC.  
By its solicitors Carrel+Partners LLP  
Per:

  
\_\_\_\_\_  
Roderick W. Johansen

"This Notice is given pursuant to the provisions of the *Bankruptcy and Insolvency Act* in the event that the provisions of that *Act* applies herein. The giving of this Notice is not to be construed as an admission that the *Bankruptcy and Insolvency Act* is applicable in this case."



SCHEDULE A  
TO  
Notice of Intention to Enforce Security

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Properties	
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PIN	31158 - 0103 LT
Description	PCL 12786 SEC AWS; MINING CLAIM SSM17358 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7081; MINING CLAIM SSM17359 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7082; MINING CLAIM SSM17362 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED LAKE AS SHOWN ON PL ATTACHED TO PATENT A7086; MINING CLAIM SSM17363 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7088; MINING CLAIM SSM17381 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7064 EXCEPT THE SRO ON AND OVER A STRIP OF LAND 200 FT IN PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; PT MINING CLAIM SSM17380 CHABANEL NOT COVERED BY THE WATER OF LENA LAKE BUT INCLUDING LAND UNDER THE WATER OF AN UNNAMED LAKE WITHIN THE LIMITS OF THIS MINING CLAIM AS SHOWN ON PL ATTACHED TO PATENT A7083 EXCEPT THE SRO ON AND OVER A STRIP OF LAND 200 FT IN PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0100 LT
Description	PCL 12787 SEC AWS; MINING CLAIM SSM17333 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7045; MINING CLAIM SSM17334 CHABANEL AS SHOWN ON PLAN ATTACHED TO PATENT A7046; MINING CLAIM SSM17335 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7047; MINING CLAIM SSM17338 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7048; MINING CLAIM SSM17337 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7049; MINING CLAIM SSM17338 CHABANEL BEING LAND AND LAND UNDER THE WATER OF THE TWO UNNAMED PONDS AS SHOWN ON PL ATTACHED TO PATENT A7050; MINING CLAIM SSM17339 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7051; MINING CLAIM SSM17340 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7052; MINING CLAIM SSM17341 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7053; MINING CLAIM SSM17342 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7054; MINING CLAIM SSM17343 CHABANEL BEING LAND AND LAND UNDER THE WATER OF BROOKS LAKE AS SHOWN ON PL ATTACHED TO PATENT A7055; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0102 LT
Description	PCL 12788 SEC AWS; PT MINING CLAIM SSM17690 CHABANEL NOT COVERED BY THE WATERS OF LENA LAKE AS SHOWN ON PLAN ATTACHED TO PATENT A-7037 EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF LENA LAKE WHICH STRIP IS BOUNDED BY THE HIGH WATER MARK OF LENA LAKE AND BY A LINE EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0005 LT
Description	PCL 38 SEC MICH; MINING CLAIM SSM18637 CHABANEL; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0004 LT
Description	PCL 38 SEC MICH; MINING CLAIM SSM15445 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF BROOKS LAKE; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0006 LT
Description	PCL 40 SEC MICH; MINING CLAIM SSM18638 CHABANEL; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0007 LT
Description	PCL 41 SEC MICH; PT MINING CLAIM SSM18639 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0008 LT
Description	PCL 42 SEC MICH; MINING CLAIM SSM18640 CHABANEL, BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN
Address	MICHIPICOTEN

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Properties	
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PIN	31158 - 0009 LT
Description	PCL 43 SEC MICH; PT MINING CLAIM SSM18641 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE, AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0010 LT
Description	PCL 44 SEC MICH; PT MINING CLAIM SSM18642 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0011 LT
Description	PCL 45 SEC MICH; MINING CLAIM SSM18643 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0012 LT
Description	PCL 46 SEC MICH; MINING CLAIM SSM18644 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0013 LT
Description	PCL 47 SEC MICH; PT MINING CLAIM SSM18645 CHABANEL AS IN A7359 EXCEPT SRO IN LT49665; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0014 LT
Description	PCL 48 SEC MICH; MINING CLAIM SSM23011 CHABANEL; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0015 LT
Description	PCL 49 SEC MICH; MINING CLAIM SSM23012 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0028 LT
Description	PCL 147 SEC MICH; MINING CLAIM SSM23543 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0031 LT
Description	PCL 150 SEC MICH; MINING CLAIM SSM22874 CHABANEL; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0033 LT
Description	PCL 153 SEC MICH; MINING CLAIM SSM13687 CHABANEL; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0036 LT
Description	PCL 156 SEC MICH; MINING CLAIM SSM23544 CHABANEL; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0039 LT
Description	PCL 182 SEC MICH; MINING CLAIM SSM22714 CHABANEL; MICHIPICOTEN
Address	MICHIPICOTEN
PIN	31158 - 0043 LT
Description	PCL 187 SEC MICH; MINING CLAIM SSM13688 CHABANEL; MICHIPICOTEN
Address	MICHIPICOTEN

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**Properties**

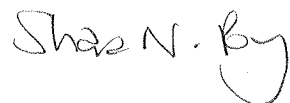
<i>PIN</i>	31158 - 0048 LT
<i>Description</i>	PCL 195 SEC MICH; MINING CLAIM SSM22948 CHABANEL; MICHIPICOTEN
<i>Address</i>	MICHIPICOTEN
<i>PIN</i>	31158 - 0049 LT
<i>Description</i>	PCL 196 SEC MICH; PT MINING CLAIM SSM22948 CHABANEL AS IN A7591 EXCEPT SRO IN LT49665; MICHIPICOTEN
<i>Address</i>	MICHIPICOTEN
<i>PIN</i>	31158 - 0055 LT
<i>Description</i>	PCL 207 SEC MICH; MINING CLAIM SSM22718 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN
<i>Address</i>	MICHIPICOTEN
<i>PIN</i>	31158 - 0059 LT
<i>Description</i>	PCL 208 SEC MICH; MINING CLAIM SSM22719 CHABANEL; MICHIPICOTEN
<i>Address</i>	MICHIPICOTEN
<i>PIN</i>	31158 - 0060 LT
<i>Description</i>	PCL 212 SEC MICH; MINING CLAIM SSM22726 CHABANEL; MICHIPICOTEN
<i>Address</i>	MICHIPICOTEN
<i>PIN</i>	31158 - 0067 LT
<i>Description</i>	PCL 220 SEC MICH; MINING CLAIM SSM22721 CHABANEL; MICHIPICOTEN
<i>Address</i>	MICHIPICOTEN
<i>PIN</i>	31158 - 0071 LT
<i>Description</i>	PCL 225 SEC MICH; MINING CLAIM SSM22722 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN
<i>Address</i>	MICHIPICOTEN
<i>PIN</i>	31158 - 0074 LT
<i>Description</i>	PCL 228 SEC MICH; MINING CLAIM SSM13883 CHABANEL EXCEPT THEREOUT AND THEREFROM THE ROW OF THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY CROSSING THE SAID LANDS; MICHIPICOTEN
<i>Address</i>	MICHIPICOTEN

# TAB I

This is **Exhibit "I"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.

A handwritten signature in black ink, appearing to read 'Shaan N. By', is written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

A handwritten signature in black ink, appearing to read 'Shaan N. By', is written below the text 'A COMMISSIONER FOR TAKING AFFIDAVITS'.

**NOTICE OF SALE UNDER CHARGE / MORTGAGE**

TAKE NOTICE that default has been made in the payment of the monies due under a certain charge/mortgage dated November 28, 2008, made between:

**DIANOR RESOURCES INC.**

(Chargor/Mortgagor)

and

**3814793 CANADA INC. (20% interest), PAULETTE LEADBETTER (10% interest)  
and 1584903 ONTARIO LTD. (70% interest)**

collectively referred to as  
(Chargee/Mortgagee)

upon the following property:

PIN 31158-0009(LT)

PCL 43 SEC MICH; PT MINING CLAIM SSM18641 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE, AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN

PIN 31158-0010(LT)

PCL 44 SEC MICH; PT MINING CLAIM SSM18642 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN

PIN 31158-0011(LT)

PCL 45 SEC MICH; MINING CLAIM SSM18643 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN

PIN 31158-0012(LT)

PCL 46 SEC MICH; MINING CLAIM SSM18644 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN

PIN 31158-0013(LT)  
PCL 47 SEC MICH; PT MINING CLAIM SSM18645 CHABANEL AS IN A7369 EXCEPT  
SRO IN LT49665; MICHIPICOTEN

PIN 31158-0014(LT)  
PCL 48 SEC MICH; MINING CLAIM SSM23011 CHABANEL; MICHIPICOTEN

PIN 31158-0015(LT)  
PCL 49 SEC MICH; MINING CLAIM SSM23012 CHABANEL BEING LAND AND LAND  
COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN

PIN 31158-0028(LT)  
PCL 147 SEC MICH; MINING CLAIM SSM23543 CHABANEL EXCEPT SRO IN  
LT49665; MICHIPICOTEN

PIN 31158-0031(LT)  
PCL 150 SEC MICH; MINING CLAIM SSM22874 CHABANEL; MICHIPICOTEN

PIN 31158-0033(LT)  
PCL 153 SEC MICH; MINING CLAIM SSM13687 CHABANEL; MICHIPICOTEN

PIN 31158-0036(LT)  
PCL 156 SEC MICH; MINING CLAIM SSM23544 CHABANEL; MICHIPICOTEN

PIN 31158-0039(LT)  
PCL 182 SEC MICH; MINING CLAIM SSM22714 CHABANEL; MICHIPICOTEN

PIN 31158-0043(LT)  
PCL 187 SEC MICH; MINING CLAIM SSM13686 CHABANEL; MICHIPICOTEN

PIN 31158-0103(LT)  
PCL 12786 SEC AWS; MINING CLAIM SSM17358 CHABANEL AS OUTLINED IN RED  
ON PL ATTACHED TO PATENT A7061; MINING CLAIM SSM17359 CHABANEL AS  
OUTLINED IN RED ON PL ATTACHED TO PATENT A7062; MINING CLAIM  
SSM17362 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN  
UNNAMED LAKE AS SHOWN ON PL ATTACHED TO PATENT A7065; MINING  
CLAIM SSM17363 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO  
PATENT A7066; MINING CLAIM SSM17361 CHABANEL AS SHOWN ON PL  
ATTACHED TO PATENT A 7064 EXCEPT THE SRO ON AND OVER A STRIP OF  
LAND 200 FT IN PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; PT  
MINING CLAIM SSM17360 CHABANEL NOT COVERED BY THE WATER OF LENA  
LAKE BUT INCLUDING LAND UNDER THE WATER OF AN UNNAMED LAKE WITHIN  
THE LIMITS OF THIS MINING CLAIM AS SHOWN ON PL ATTACHED TO PATENT  
A7063 EXCEPT THE SRO ON AND OVER A STRIP OF LAND 200 FT IN  
PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; MICHIPICOTEN

PIN 31158-0100(LT)

PCL 12787 SEC AWS; MINING CLAIM SSM17333 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7045; MINING CLAIM SSM17334 CHABANEL AS SHOWN ON PLAN ATTACHED TO PATENT A7046; MINING CLAIM SSM17335 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7047; MINING CLAIM SSM17336 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7048; MINING CLAIM SSM17337 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7049; MINING CLAIM SSM17338 CHABANEL BEING LAND AND LAND UNDER THE WATER OF THE TWO UNNAMED PONDS AS SHOWN ON PL ATTACHED TO PATENT A7050; MINING CLAIM SSM17339 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7051; MINING CLAIM SSM17340 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7052; MINING CLAIM SSM17341 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7053; MINING CLAIM SSM17342 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7054; MINING CLAIM SSM17343 CHABANEL BEING LAND AND LAND UNDER THE WATER OF BROOKS LAKE AS SHOWN ON PL ATTACHED TO PATENT A7055; MICHIPICOTEN

PIN 31158-0102(LT)

PCL 12788 SEC AWS; PT MINING CLAIM SSM17650 CHABANEL NOT COVERED BY THE WATERS OF LENA LAKE AS SHOWN ON PLAN ATTACHED TO PATENT A-7037 EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF LENA LAKE WHICH STRIP IS BOUNDED BY THE HIGH WATER MARK OF LENA LAKE AND BY A LINE EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN

PIN 31158-0005(LT)

PCL 39 SEC MICH; MINING CLAIM SSM18637 CHABANEL; MICHIPICOTEN

PIN 31158-0004(LT)

PCL 38 SEC MICH; MINING CLAIM SSM15445 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF BROOKS LAKE; MICHIPICOTEN

PIN 31158-0006(LT)

PCL 40 SEC MICH; MINING CLAIM SSM18638 CHABANEL; MICHIPICOTEN

PIN 31158-0007(LT)

PCL 41 SEC MICH; PT MINING CLAIM SSM18639 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE



AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN

PIN 31158-0008(LT)  
PCL 42 SEC MICH; MINING CLAIM SSM18640 CHABANEL , BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE;  
MICHIPICOTEN

PIN 31158-0048(LT)  
PCL 195 SEC MICH; MINING CLAIM SSM22946 CHABANEL; MICHIPICOTEN

PIN 31158-0049(LT)  
PCL 196 SEC MICH; PT MINING CLAIM SSM22945 CHABANEL AS IN A7591 EXCEPT SRO IN LT49665; MICHIPICOTEN

PIN 31158-0055(LT)  
PCL 207 SEC MICH; MINING CLAIM SSM22718 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN

PIN 31158-0056(LT)  
PCL 208 SEC MICH; MINING CLAIM SSM22719 CHABANEL; MICHIPICOTEN

PIN 31158-0060(LT)  
PCL 212 SEC MICH; MINING CLAIM SSM22726 CHABANEL; MICHIPICOTEN

PIN 31158-0067(LT)  
PCL 220 SEC MICH; MINING CLAIM SSM22721 CHABANEL; MICHIPICOTEN

PIN 31158-0071(LT)  
PCL 225 SEC MICH; MINING CLAIM SSM22722 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN

PIN 31158-0074(LT)  
PCL 229 SEC MICH; MINING CLAIM SSM13683 CHABANEL EXCEPT THEREOUT AND THEREFROM THE ROW OF THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY CROSSING THE SAID LANDS; MICHIPICOTEN

Which charge/mortgage was registered on the 2<sup>nd</sup> day of December, 2008, at the Registry Office of Algoma as Instrument # AL47217; and which charge/mortgage was assigned to the undersigned on the 18<sup>th</sup> day of August, 2009, (which assignment was registered on the 18<sup>th</sup> day of August, 2009, at the Registry Office of Algoma as Instrument No. AL58030).

And we hereby give you notice that the amount due on the charge/mortgage for principal, forbearance fees and legal enforcement expense, respectively, plus accrued interest, is \$2,726,609.34 made up as follows:

Principal	\$2,475,000.00
Forbearance Fee	\$50,000.00
Accrued interest on \$2,475,000 (Dec 30/11 to Oct 3/12) 278 days at 10% per annum (per diem accrues at \$678.08)	\$188,506.85
Accrued interest on \$50,000 (Sep 28/12 to Oct 3/12) 5 days at 10% per annum (per diem accrues at \$13.70)	\$68.49
Costs awarded to date (\$534.00 + \$7,500.00)	\$8,034.00
Costs for this proceeding (Notice of Sale) Inclusive of disbursements and HST	\$5,000.00
<b>TOTAL</b>	<b>\$2,726,609.34</b>

Such amount for costs being up to and including the service of this notice only, and thereafter such further costs and disbursement will be charged as may be proper) together with interest at the rate of 10% per annum calculated monthly on the principal, Forbearance Fee, costs and legal enforcement expense hereinbefore mentioned from the date hereof to the date of payment.

AND unless the said sums are paid on or before Friday, November 12, 2012, we shall sell the property covered by the said mortgage under the provisions contained in it and pursuant to Part III of *The Mortgages Act*, R.S.O. 1990, Chapter M-40 and amendments thereto.

THIS notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem same.

DATED: October 3, 2012

1778778 Ontario Inc.  
Mortgagee, by its solicitors  
CARREL +Partners LLP.  
1136 Alloy Drive  
Thunder Bay, ON P7B 6M9  
Phone: 807-346-3000  
Fax: 807-346-36000

Per:

  
Roderick W. Johansen

TO:

Dianor Resources Inc.  
649, 3<sup>rd</sup> Avenue, 2<sup>nd</sup> Floor  
Val-d'Or, Quebec  
J9P 1S7

AND TO:

Third Eye Capital Corporation  
Brookfield Place, TD Canada Trust Tower  
161 Bay Street, Suite 3930  
Toronto, Ontario M5J 2S1

AND TO:

Third Eye Capital Corporation  
Brookfield Place, TD Canada Trust Tower  
161 Bay Street, Suite 3820  
Toronto, Ontario M5J 2S1

AND TO:

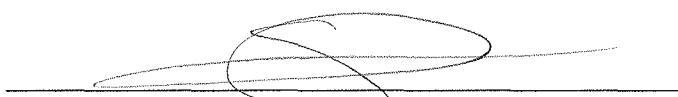
Algoma Steel Inc.  
Aciers Algoma Inc.  
105 West Street  
Sault Ste. Marie, ON P6A 7B4

AND TO:

Essar Steel Algoma Inc.  
105 West Street  
Sault Ste. Marie, ON P6A 7B4

# TAB J.

This is **Exhibit "J"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.



---

A COMMISSIONER FOR TAKING AFFIDAVITS

Sharon N. Roy

Properties

PIN	31158 - 0004	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 38 SEC MICH; MINING CLAIM SSM15445 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF BROOKS LAKE; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0005	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 39 SEC MICH; MINING CLAIM SSM18637 CHABANEL; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0006	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 40 SEC MICH; MINING CLAIM SSM18638 CHABANEL; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0007	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 41 SEC MICH; PT MINING CLAIM SSM18639 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0008	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 42 SEC MICH; MINING CLAIM SSM18640 CHABANEL , BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0009	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 43 SEC MICH; PT MINING CLAIM SSM18641 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE, AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0010	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 44 SEC MICH; PT MINING CLAIM SSM18642 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0011	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 45 SEC MICH; MINING CLAIM SSM18643 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0012	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 46 SEC MICH; MINING CLAIM SSM18644 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0013	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 47 SEC MICH; PT MINING CLAIM SSM18645 CHABANEL AS IN A7369 EXCEPT SRO IN LT49665; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0014	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 48 SEC MICH; MINING CLAIM SSM23011 CHABANEL; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0015	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 49 SEC MICH; MINING CLAIM SSM23012 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN				
Address	DISTRICT OF ALGOMA				
PIN	31158 - 0028	LT	Interest/Estate	Fee Simple - Surface Rights	<input checked="" type="checkbox"/> Redescription
Description	SRO; PCL 147 SEC MICH; MINING CLAIM SSM23543 CHABANEL EXCEPT SRO IN				

**Properties**

Address	LT49665; MICHIPICOTEN			
PIN	31158 - 0031	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 150 SEC MICH; MINING CLAIM SSM22874 CHABANEL; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0033	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 153 SEC MICH; MINING CLAIM SSM13687 CHABANEL; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0036	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 156 SEC MICH; MINING CLAIM SSM23544 CHABANEL; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0039	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 182 SEC MICH; MINING CLAIM SSM22714 CHABANEL; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0043	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 187 SEC MICH; MINING CLAIM SSM13686 CHABANEL; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0048	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 195 SEC MICH; MINING CLAIM SSM22946 CHABANEL; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0049	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 196 SEC MICH; PT MINING CLAIM SSM22945 CHABANEL AS IN A7591 EXCEPT SRO IN LT49665; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0055	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 207 SEC MICH; MINING CLAIM SSM22718 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0056	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 208 SEC MICH; MINING CLAIM SSM22719 CHABANEL; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0060	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 212 SEC MICH; MINING CLAIM SSM22726 CHABANEL; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0067	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 220 SEC MICH; MINING CLAIM SSM22721 CHABANEL; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0071	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 225 SEC MICH; MINING CLAIM SSM22722 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0074	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 229 SEC MICH; MINING CLAIM SSM13683 CHABANEL EXCEPT THEREOUT AND THEREFROM THE ROW OF THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY CROSSING THE SAID LANDS; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0100	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 12787 SEC AWS; MINING CLAIM SSM17333 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7045; MINING CLAIM SSM17334 CHABANEL AS SHOWN ON PLAN ATTACHED TO PATENT A7046; MINING CLAIM SSM17335 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7047; MINING CLAIM SSM17336 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7048; MINING CLAIM SSM17337 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7049; MINING CLAIM SSM17338 CHABANEL BEING LAND AND LAND UNDER THE WATER OF THE TWO UNNAMED PONDS AS SHOWN ON PL ATTACHED TO PATENT A7050; MINING CLAIM SSM17339 CHABANEL BEING LAND AND LAND UNDER THE WATER FO AN UNNAMED POND AS SHOWN ON PL			

Properties

	ATTACHED TO PATENT A7051; MINING CLAIM SSM17340 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7052; MINING CLAIM SSM17341 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7053; MINING CLAIM SSM17342 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7054; MINING CLAIM SSM17343 CHABANEL BEING LAND AND LAND UNDER THE WATER OF BROOKS LAKE AS SHOWN ON PL ATTACHED TO PATENT A7055; MICHIPICOTEN			
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0102	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 12788 SEC AWS; PT MINING CLAIM SSM17650 CHABANEL NOT COVERED BY THE WATERS OF LENA LAKE AS SHOWN ON PLAN ATTACHED TO PATENT A-7037 EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF LENA LAKE WHICH STRIP IS BOUNDED BY THE HIGH WATER MARK OF LENA LAKE AND BY A LINE EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN			<input checked="" type="checkbox"/> Redescription
Address	DISTRICT OF ALGOMA			
PIN	31158 - 0103	LT	Interest/Estate	Fee Simple - Surface Rights
Description	SRO; PCL 12786 SEC AWS; MINING CLAIM SSM17358 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7061; MINING CLAIM SSM17359 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7062; MINING CLAIM SSM17362 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED LAKE AS SHOWN ON PL ATTACHED TO PATENT A7065; MINING CLAIM SSM17363 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7066; MINING CLAIM SSM17361 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A 7064 EXCEPT THE SRO ON AND OVER A STRIP OF LAND 200 FT IN PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; PT MINING CLAIM SSM17360 CHABANEL NOT COVERED BY THE WATER OF LENA LAKE BUT INCLUDING LAND UNDER THE WATER OF AN UNNAMED LAKE WITHIN THE LIMITS OF THIS MINING CLAIM AS SHOWN ON PL ATTACHED TO PATENT A7063 EXCEPT THE SRO ON AND OVER A STRIP OF LAND 200 FT IN PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; MICHIPICOTEN			<input checked="" type="checkbox"/> Redescription
Address	DISTRICT OF ALGOMA			

Source Instruments

Registration No.	Date	Type of Instrument
AL47217	2008 12 02	Charge/Mortgage
AL58030	2009 08 18	Transfer Of Charge

Consideration

Consideration	\$800,000.00
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Transferor(s)

The transferor(s) hereby transfers the land to the transferee(s).

Name                    1778778 ONTARIO INC.  
Address for Service    1 Gold Street  
                              Wawa, ON   P0S 1K0

I, Joseph Leadbetter, President, have the authority to bind the corporation.  
This document is not authorized under Power of Attorney by this party.

Transferee(s)	Capacity	Share
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Name	2350614 ONTARIO INC.	
Address for Service	1 Gold Street, Wawa, Ontario P0S 1K0	



Document(s) to be Deleted

The encumbrance(s) listed in the related deletions field is/are subsequent in priority to the charge and is/are to be deleted

Registration No.	Date	Type of Instrument
AL76980	2010/09/27	Charge/Mortgage

Statements

The document is authorized under the charge and the Mortgages Act.

The sale proceedings and transfer comply with the charge, the Mortgages Act , and if applicable the Bankruptcy and Insolvency Act (Canada), the Condominium Act, the Construction Lien Act and the Farm Debt Mediation Act (Canada).

The charge was in default at the time notice of sale was given and continues to be in default and the money has been advanced under the charge.

Title to the land is not subject to spousal rights under the Family Law Act

Schedule: I, Cynthia A. Cline, Solicitor state that the Notice of Sale was given on October 3, 2012.

I, Cynthia A. Cline, Solicitor, state the following writs of execution are to be deleted:

Creditor: 1778778 Ontario Inc. c/o Roderick W. Johansen, CARREL & Partners LLP

Writ No.: 12-0000339

Creditor: 1778778 Ontario Inc.

Writ No.: 12-0000340

Signed By

Cynthia Ann Cline	1136 Alloy Drive, Thunder Bay P7B 6M9	acting for Transferor(s)	First Signed	2012 12 19
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Tel        8073463000

Fax        8073463600

Cynthia Ann Cline	1136 Alloy Drive, Thunder Bay P7B 6M9	acting for Transferor(s)	Last Signed	2012 12 20
-------------------	---	-----------------------------	----------------	------------

Tel        8073463000

Fax        8073463600

I am the solicitor for the transferor(s) and I am not one and the same as the solicitor for the transferee(s).

I have the authority to sign and register the document on behalf of the Transferor(s).

Clinton Bruce Willson	494 Albert St. E. Sault Ste. Marie P6A 2K2	acting for Transferee(s)	First Signed	2012 12 19
-----------------------	--	-----------------------------	-----------------	------------

Tel        705-942-2000

Fax        7059426511

Clinton Bruce Willson	494 Albert St. E. Sault Ste. Marie P6A 2K2	acting for Transferee(s)	Last Signed	2012 12 20
-----------------------	--	-----------------------------	----------------	------------

Tel        705-942-2000

Fax        7059426511

I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).

I have the authority to sign and register the document on behalf of the Transferee(s).

Submitted By

WILLSON, CARTER	494 Albert St. E. Sault Ste. Marie P6A 2K2	2012 12 20
-----------------	--	------------

Tel        705-942-2000

Fax        7059426511

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Provincial Land Transfer Tax	\$10,475.00
Total Paid	\$10,535.00

*The applicant(s) hereby applies to the Land Registrar.*

<b>File Number</b>
--------------------

Transferor Client File Number :	44860-005
Transferee Client File Number :	CBW17,932/12

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**LAND TRANSFER TAX STATEMENTS**

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In the matter of the conveyance of: 31158 - 0004 SRO; PCL 38 SEC MICH; MINING CLAIM SSM15445 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF BROOKS LAKE; MICHIPICOTEN

31158 - 0005 SRO; PCL 39 SEC MICH; MINING CLAIM SSM18637 CHABANEL; MICHIPICOTEN

31158 - 0006 SRO; PCL 40 SEC MICH; MINING CLAIM SSM18638 CHABANEL; MICHIPICOTEN

31158 - 0007 SRO; PCL 41 SEC MICH; PT MINING CLAIM SSM18639 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN

31158 - 0008 SRO; PCL 42 SEC MICH; MINING CLAIM SSM18640 CHABANEL , BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN

31158 - 0009 SRO; PCL 43 SEC MICH; PT MINING CLAIM SSM18641 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE, AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN

31158 - 0010 SRO; PCL 44 SEC MICH; PT MINING CLAIM SSM18642 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE, EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF MILDRED LAKE AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF MILDRED LAKE AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK EXCEPT SRO IN LT49665; MICHIPICOTEN

31158 - 0011 SRO; PCL 45 SEC MICH; MINING CLAIM SSM18643 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN

31158 - 0012 SRO; PCL 46 SEC MICH; MINING CLAIM SSM18644 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN

31158 - 0013 SRO; PCL 47 SEC MICH; PT MINING CLAIM SSM18645 CHABANEL AS IN A7369 EXCEPT SRO IN LT49665; MICHIPICOTEN

31158 - 0014 SRO; PCL 48 SEC MICH; MINING CLAIM SSM23011 CHABANEL; MICHIPICOTEN

31158 - 0015 SRO; PCL 49 SEC MICH; MINING CLAIM SSM23012 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN

31158 - 0028 SRO; PCL 147 SEC MICH; MINING CLAIM SSM23543 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN

31158 - 0031 SRO; PCL 150 SEC MICH; MINING CLAIM SSM22874 CHABANEL; MICHIPICOTEN

31158 - 0033 SRO; PCL 153 SEC MICH; MINING CLAIM SSM13687 CHABANEL; MICHIPICOTEN

31158 - 0036 SRO; PCL 156 SEC MICH; MINING CLAIM SSM23544 CHABANEL; MICHIPICOTEN

31158 - 0039 SRO; PCL 182 SEC MICH; MINING CLAIM SSM22714 CHABANEL; MICHIPICOTEN

31158 - 0043 SRO; PCL 187 SEC MICH; MINING CLAIM SSM13686 CHABANEL; MICHIPICOTEN

31158 - 0048 SRO; PCL 195 SEC MICH; MINING CLAIM SSM22946 CHABANEL; MICHIPICOTEN

31158 - 0049 SRO; PCL 196 SEC MICH; PT MINING CLAIM SSM22945 CHABANEL AS IN A7591 EXCEPT SRO IN LT49665; MICHIPICOTEN

31158 - 0055 SRO; PCL 207 SEC MICH; MINING CLAIM SSM22718 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN

31158 - 0056 SRO; PCL 208 SEC MICH; MINING CLAIM SSM22719 CHABANEL; MICHIPICOTEN

31158 - 0060 SRO; PCL 212 SEC MICH; MINING CLAIM SSM22726 CHABANEL; MICHIPICOTEN

LAND TRANSFER TAX STATEMENTS

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- 31158 - 0067 SRO; PCL 220 SEC MICH; MINING CLAIM SSM22721 CHABANEL; MICHIPICOTEN
- 31158 - 0071 SRO; PCL 225 SEC MICH; MINING CLAIM SSM22722 CHABANEL EXCEPT SRO IN LT49665; MICHIPICOTEN
- 31158 - 0074 SRO; PCL 229 SEC MICH; MINING CLAIM SSM13683 CHABANEL EXCEPT THEREOUT AND THEREFROM THE ROW OF THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY CROSSING THE SAID LANDS; MICHIPICOTEN
- 31158 - 0100 SRO; PCL 12787 SEC AWS; MINING CLAIM SSM17333 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7045; MINING CLAIM SSM17334 CHABANEL AS SHOWN ON PLAN ATTACHED TO PATENT A7046; MINING CLAIM SSM17335 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7047; MINING CLAIM SSM17336 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7048; MINING CLAIM SSM17337 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7049; MINING CLAIM SSM17338 CHABANEL BEING LAND AND LAND UNDER THE WATER OF THE TWO UNNAMED PONDS AS SHOWN ON PL ATTACHED TO PATENT A7050; MINING CLAIM SSM17339 CHABANEL BEING LAND AND LAND UNDER THE WATER FO AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7051; MINING CLAIM SSM17340 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7052; MINING CLAIM SSM17341 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7053; MINING CLAIM SSM17342 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7054; MINING CLAIM SSM17343 CHABANEL BEING LAND AND LAND UNDER THE WATER OF BROOKS LAKE AS SHOWN ON PL ATTACHED TO PATENT A7055; MICHIPICOTEN
- 31158 - 0102 SRO; PCL 12788 SEC AWS; PT MINING CLAIM SSM17650 CHABANEL NOT COVERED BY THE WATERS OF LENA LAKE AS SHOWN ON PLAN ATTACHED TO PATENT A-7037 EXCEPT THE SRO ON AND OVER A STRIP OF LAND ALONG THE SHORES OF LENA LAKE WHICH STRIP IS BOUNDED BY THE HIGH WATER MARK OF LENA LAKE AND BY A LINE EVERY POINT OF WHICH IS DISTANT 200 FT FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; MICHIPICOTEN
- 31158 - 0103 SRO; PCL 12786 SEC AWS; MINING CLAIM SSM17358 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7061; MINING CLAIM SSM17359 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7062; MINING CLAIM SSM17362 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED LAKE AS SHOWN ON PL ATTACHED TO PATENT A7065; MINING CLAIM SSM17363 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7066; MINING CLAIM SSM17361 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A 7064 EXCEPT THE SRO ON AND OVER A STRIP OF LAND 200 FT IN PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; PT MINING CLAIM SSM17360 CHABANEL NOT COVERED BY THE WATER OF LENA LAKE BUT INCLUDING LAND UNDER THE WATER OF AN UNNAMED LAKE WITHIN THE LIMITS OF THIS MINING CLAIM AS SHOWN ON PL ATTACHED TO PATENT A7063 EXCEPT THE SRO ON AND OVER A STRIP OF LAND 200 FT IN PERPENDICULAR WIDTH ALONG THE SHORE OF LENA LAKE; MICHIPICOTEN

BY: 1778778 ONTARIO INC.  
TO: 2350614 ONTARIO INC.

1. JOSEPH LEADBETTER

- I am
- ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
  - ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
  - ☐ (c) A transferee named in the above-described conveyance;
  - ☐ (d) The authorized agent or solicitor acting in this transaction for \_\_\_\_\_ described in paragraph(s) ( ) above.
  - ☒ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for 2350614 ONTARIO INC. described in paragraph(s) (C) above.
  - ☐ (f) A transferee described in paragraph() and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my spouse described in paragraph( ) and as such, I have personal knowledge of the facts herein deposed to.

.. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein:

LAND TRANSFER TAX STATEMENTS

does not contain a single family residence or contains more than two single family residences.

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3. The total consideration for this transaction is allocated as follows:

(a) Monies paid or to be paid in cash	0.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	800,000.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	800,000.00
(h) VALUE OF ALL CHATTELS -items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	800,000.00

PROPERTY Information Record

A. Nature of Instrument:	Transfer: Power Of Sale		
	LRO 1	Registration No. AL112565	Date: 2012/12/19
B. Property(s):	PIN 31158 - 0004	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0005	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0006	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0007	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0008	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0009	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0010	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0011	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0012	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0013	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0014	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0015	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0028	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0031	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0033	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0036	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0039	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0043	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0048	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0049	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0055	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0056	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0060	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0067	Address DISTRICT OF ALGOMA	Assessment Roll No -
	PIN 31158 - 0071	Address DISTRICT OF ALGOMA	Assessment Roll No -

LAND TRANSFER TAX STATEMENTS

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PIN 31158 - 0074	Address DISTRICT OF ALGOMA	Assessment -
		Roll No
PIN 31158 - 0100	Address DISTRICT OF ALGOMA	Assessment -
		Roll No
PIN 31158 - 0102	Address DISTRICT OF ALGOMA	Assessment -
		Roll No
PIN 31158 - 0103	Address DISTRICT OF ALGOMA	Assessment -
		Roll No

C. Address for Service: 1 Gold Street,  
Wawa, Ontario P0S 1K0

D. (i) Last Conveyance(s):	PIN 31158 - 0004	Registration No.	AL47216
	PIN 31158 - 0005	Registration No.	AL47216
	PIN 31158 - 0006	Registration No.	AL47216
	PIN 31158 - 0007	Registration No.	AL47216
	PIN 31158 - 0008	Registration No.	AL47216
	PIN 31158 - 0009	Registration No.	AL47216
	PIN 31158 - 0010	Registration No.	AL47216
	PIN 31158 - 0011	Registration No.	AL47216
	PIN 31158 - 0012	Registration No.	AL47216
	PIN 31158 - 0013	Registration No.	AL47216
	PIN 31158 - 0014	Registration No.	AL47216
	PIN 31158 - 0015	Registration No.	AL47216
	PIN 31158 - 0028	Registration No.	AL47216
	PIN 31158 - 0031	Registration No.	AL47216
	PIN 31158 - 0033	Registration No.	AL47216
	PIN 31158 - 0036	Registration No.	AL47216
	PIN 31158 - 0039	Registration No.	AL47216
	PIN 31158 - 0043	Registration No.	AL47216
	PIN 31158 - 0048	Registration No.	AL47216
	PIN 31158 - 0049	Registration No.	AL47216
	PIN 31158 - 0055	Registration No.	AL47216
	PIN 31158 - 0056	Registration No.	AL47216
	PIN 31158 - 0060	Registration No.	AL47216
	PIN 31158 - 0067	Registration No.	AL47216
	PIN 31158 - 0071	Registration No.	AL47216
	PIN 31158 - 0074	Registration No.	AL47216
	PIN 31158 - 0100	Registration No.	AL47216
	PIN 31158 - 0102	Registration No.	AL47216
	PIN 31158 - 0103	Registration No.	AL47216

(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes ☐ No ☒ Not known ☐

E. Tax Statements Prepared By: Clinton Bruce Willson  
494 Albert St. E.  
Sault Ste. Marie P6A 2K2

TAB K

This is **Exhibit "K"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.



---

A COMMISSIONER FOR TAKING AFFIDAVITS

Shad N. Roy



## CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
2350614	2350614 ONTARIO INC.	2012/11/20
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>	<b>Date Amalgamated</b>	<b>Amalgamation Ind.</b>
1 GOLD STREET	NOT APPLICABLE	NOT APPLICABLE
	<b>New Amal. Number</b>	<b>Notice Date</b>
WAWA ONTARIO CANADA P0S 1K0	NOT APPLICABLE	NOT APPLICABLE
<b>Mailing Address</b>		<b>Letter Date</b>
1 GOLD STREET		NOT APPLICABLE
	<b>Revival Date</b>	<b>Continuation Date</b>
WAWA ONTARIO CANADA P0S 1K0	NOT APPLICABLE	NOT APPLICABLE
	<b>Transferred Out Date</b>	<b>Cancel/Inactive Date</b>
	NOT APPLICABLE	NOT APPLICABLE
	<b>EP Licence Eff.Date</b>	<b>EP Licence Term.Date</b>
	NOT APPLICABLE	NOT APPLICABLE
	<b>Number of Directors</b>	<b>Date Commenced</b>
	<b>Minimum Maximum</b>	<b>in Ontario</b>
	00001 00010	<b>Date Ceased</b>
<b>Activity Classification</b>		<b>in Ontario</b>
NOT AVAILABLE		NOT APPLICABLE

Request ID: 019108947  
Transaction ID: 61501950  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2016/06/27  
Time Report Produced: 08:03:55  
Page: 2

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## CORPORATION PROFILE REPORT

### Ontario Corp Number

2350614

### Corporation Name

2350614 ONTARIO INC.

### Corporate Name History

2350614 ONTARIO INC.

### Effective Date

2012/11/20

### Current Business Name(s) Exist:

NO

### Expired Business Name(s) Exist:

NO

### Administrator: Name (Individual / Corporation)

JOSEPH  
LEADBETTER

### Address

1 GOLD STREET

WAWA  
ONTARIO  
CANADA P0S 1K0

### Date Began

2012/11/20

### First Director

NOT APPLICABLE

### Designation

DIRECTOR

### Officer Type

### Resident Canadian

Y

Request ID: 019108947  
Transaction ID: 61501950  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2016/06/27  
Time Report Produced: 08:03:55  
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## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2350614

2350614 ONTARIO INC.

**Administrator:**

Name (Individual / Corporation)

Address

JOSEPH

1 GOLD STREET

LEADBETTER

WAWA  
ONTARIO  
CANADA P0S 1K0

Date Began

First Director

2012/11/20

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

**Administrator:**

Name (Individual / Corporation)

Address

JOSEPH

1 GOLD STREET

LEADBETTER

WAWA  
ONTARIO  
CANADA P0S 1K0

Date Began

First Director

2012/11/20

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Request ID: 019108947  
Transaction ID: 61501950  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2016/06/27  
Time Report Produced: 08:03:55  
Page: 4

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# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2350614	2350614 ONTARIO INC.

Administrator: Name (Individual / Corporation)	Address
JOSEPH LEADBETTER	1 GOLD STREET  WAWA ONTARIO CANADA P0S 1K0

Date Began	First Director	
2012/11/20	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	TREASURER	Y

Request ID: 019108947  
Transaction ID: 61501950  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2016/06/27  
Time Report Produced: 08:03:55  
Page: 5

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## CORPORATION PROFILE REPORT

Ontario Corp Number

2350614

Corporation Name

2350614 ONTARIO INC.

### Last Document Recorded

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	1	2012/12/18

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

# TAB L

This is **Exhibit "L"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.



---

A COMMISSIONER FOR TAKING AFFIDAVITS

Shaen N. By

Request ID: 019108945  
Transaction ID: 61501947  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2016/06/27  
Time Report Produced: 08:03:43  
Page: 1

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## CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
1778778	1778778 ONTARIO INC.	2009/06/26
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>	<b>Date Amalgamated</b>	<b>Amalgamation Ind.</b>
JOE LEADBETTER 1 GOLD STREET	NOT APPLICABLE	NOT APPLICABLE
	<b>New Amal. Number</b>	<b>Notice Date</b>
	NOT APPLICABLE	NOT APPLICABLE
WAWA ONTARIO CANADA P0S 1K0		<b>Letter Date</b>
<b>Mailing Address</b>		NOT APPLICABLE
1 GOLD STREET	<b>Revival Date</b>	<b>Continuation Date</b>
	NOT APPLICABLE	NOT APPLICABLE
WAWA ONTARIO CANADA P0S 1K0	<b>Transferred Out Date</b>	<b>Cancel/Inactive Date</b>
	NOT APPLICABLE	NOT APPLICABLE
	<b>EP Licence Eff.Date</b>	<b>EP Licence Term.Date</b>
	NOT APPLICABLE	NOT APPLICABLE
	<b>Number of Directors</b>	<b>Date Commenced</b>
	<b>Minimum</b> <b>Maximum</b>	<b>in Ontario</b>
	00001 00010	<b>Date Ceased</b>
<b>Activity Classification</b>		<b>in Ontario</b>
NOT AVAILABLE		NOT APPLICABLE



Request ID: 019108945  
Transaction ID: 61501947  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2016/06/27  
Time Report Produced: 08:03:43  
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## CORPORATION PROFILE REPORT

**Ontario Corp Number**

1778778

**Corporation Name**

1778778 ONTARIO INC.

**Corporate Name History**

1778778 ONTARIO INC.

**Effective Date**

2009/06/26

**Current Business Name(s) Exist:**

NO

**Expired Business Name(s) Exist:**

NO

**Administrator:  
Name (Individual / Corporation)**

JOHN  
JOSEPH  
LEADBETTER

**Address**

1 GOLD STREET

WAWA  
ONTARIO  
CANADA P0S 1K0

**Date Began**

2009/06/26

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type**

**Resident Canadian**

Y

Request ID: 019108945  
Transaction ID: 61501947  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2016/06/27  
Time Report Produced: 08:03:43  
Page: 3

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## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1778778

1778778 ONTARIO INC.

**Administrator:**  
Name (Individual / Corporation)

**Address**

JOHN  
JOSEPH  
LEADBETTER

1 GOLD STREET

WAWA  
ONTARIO  
CANADA P0S 1K0

**Date Began**

**First Director**

2009/06/26

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

OFFICER

PRESIDENT

Y

**Administrator:**  
Name (Individual / Corporation)

**Address**

JOHN  
JOSEPH  
LEADBETTER

1 GOLD STREET

WAWA  
ONTARIO  
CANADA P0S 1K0

**Date Began**

**First Director**

2009/06/26

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

OFFICER

SECRETARY

Y

Request ID: 019108945  
Transaction ID: 61501947  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2016/06/27  
Time Report Produced: 08:03:43  
Page: 4

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# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1778778	1778778 ONTARIO INC.

Administrator: Name (Individual / Corporation)	Address
JOHN JOSEPH LEADBETTER	1 GOLD STREET  WAWA ONTARIO CANADA P0S 1K0

Date Began	First Director	
2009/06/26	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	TREASURER	Y

Request ID: 019108945  
Transaction ID: 61501947  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2016/06/27  
Time Report Produced: 08:03:43  
Page: 5

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## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1778778

1778778 ONTARIO INC.

### Last Document Recorded


Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2011	1C	2011/12/24 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.  
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

TAB M

This is **Exhibit "M"** referred to in the affidavit of Rebecca Giri, sworn before me, this 10<sup>th</sup> day of August, 2016.



---

A COMMISSIONER FOR TAKING AFFIDAVITS

Sharon N. Roy

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR.  
JUSTICE G. HAINES

)  
)  
)

WEDNESDAY, THE 7<sup>th</sup>  
DAY OF OCTOBER, 2015

BETWEEN:

**THIRD EYE CAPITAL CORPORATION**

Applicant

- and -

**RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

Respondent

**APPLICATION UNDER SECTION 243 OF THE *BANKRUPTCY AND  
INSOLVENCY ACT* AND SECTION 101 OF THE *COURTS OF JUSTICE  
ACT***

**ORDER  
(APPROVAL OF BID PROCESS)**

**THIS MOTION**, made by Richter Advisory Group Inc., in its capacity as the Court-appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Ressources Dianor Inc. / Dianor Resources Inc. (“**Dianor**”) acquired for, or used in relation to a business carried on by Dianor, including all proceeds thereof, for an Order approving, *inter alia*, a sale process to market Dianor’s assets (the “**Bid Process**”), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the first report of the Receiver dated October 1, 2015, and the schedules thereto (the “**First Report**”), filed; and on hearing the submissions of counsel for the Receiver,

counsel for Third Eye Capital (“**Third Eye**”), and such other parties as were present, no one else appearing although duly served as appears from the Affidavit of service of Tasha Boyd sworn October 2, 2015, filed;

#### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein be and is hereby abridged and the service thereof validated so that the Motion is properly returnable today.

#### **ACTIVITIES OF THE RECEIVER**

2. THIS COURT ORDERS that the activities of the Receiver as set out in the First Report be and are hereby approved.

#### **BID PROCESS**

3. THIS COURT ORDERS that the Bid Process as set out and described in the First Report be and is hereby approved (subject to such non-material amendments as may be agreed to by the Receiver and Third Eye) and the Receiver is hereby authorized and directed to take such steps as it deems necessary or advisable to carry out the Bid Process, subject to prior approval of this Court being obtained before completion of any transaction(s) resulting from the Bid Process.

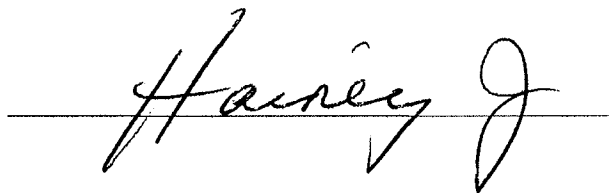
#### **GENERAL**

4. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

5. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located,



for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

A handwritten signature in cursive script, appearing to read "Harry J.", is written over a horizontal line.

ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

OCT 7 - 2015

THIRD EYE CAPITAL CORPORATION  
Applicant

-and-

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.  
Respondent

Court File No. CV-15-11080-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**AFFIDAVIT OF REBECCA GIRI  
(SWORN AUGUST 10, 2016)**

**LENCZNER SLAGHT ROYCE  
SMITH GRIFFIN LLP**

Barristers  
Suite 2600  
130 Adelaide Street West  
Toronto ON M5H 3P5

Peter J. Osborne (33420C)  
posborne@litigate.com  
Tel: (416) 865-3094

Shara N. Roy (49950H)  
sroy@litigate.com  
Tel: (416) 865-2942

Tel: (416) 865-9500  
Fax: (416) 865-9010

Lawyers for the Applicant, Third Eye Capital Corporation

# Tab 2

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

THIRD EYE CAPITAL

Applicant

and

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

Respondent

**APPLICATION UNDER SECTION 243 OF THE *BANKRUPTCY AND  
INSOLVENCY ACT* AND SECTION 101 OF THE *COURTS OF JUSTICE  
ACT***

**AFFIDAVIT OF WILLIAM E. ROSCOE**

I, William E. Roscoe, Ph.D., P.Eng., of the City of Toronto, in the Province of Ontario,  
MAKE OATH AND SAY AS FOLLOWS:

1. I am Principal Geologist, co-founder and Chairman Emeritus of Roscoe Postle Associates Inc. ("RPA"). I attach a copy of my Curriculum Vitae hereto as **Exhibit "A"**. I am an expert in the area of valuation of mineral properties and have provided mineral property valuations for 30 years.
2. I have been retained by Lenczner Slaght LLP on behalf of Third Eye Capital, to provide an opinion on the value of the Crown Land mining claims and patented mining claims owned by

Dianor Resources Inc in Chabanel Township in the District of Algoma, more particularly described as:

1243318, 1243319, 1243325, 1243332, 1243335, 1243336, 1243363, 1243365, 1243369, 1243373, 1243377, 1243509, 1243510, 1235746, 1235747, 1235754, 1235757, 1235758, 1235759.

SSM 17358, SSM 17359, SSM 17360, SSM 21168, SSM 17334, SSM 17335, SSM 17362, SSM 17361, SSM 17337, SSM 17341, SSM 17342, SSM 17343, SSM 17340, SSM 17339, SSM 17338, SSM 18637, SSM 23011, SSM 18638, SSM 23012, SSM 18639, SSM 18640, SSM 18641, SSM 18642, SSM 18644, SSM 18645, SSM 23544, SSM 23543, SSM 21166, SSM 21167, SSM 22722, SSM 22721, SSM 18643, SSM 22718, SSM 22874, SSM 13687, SSM 22719, SSM 13686, SSM 22945, SSM 13683, SSM 22946, SSM 22714, SSM 17336, SSM 17650, SSM 17333, SSM 17363, SSM 21169, SSM 22726, SSM 154445 AND SSM 21171.

(together, the "Dianor Mining Claims").

3. A copy of my report is appended hereto as **Exhibit "B"**. In developing my understanding of the relevant facts and reaching my conclusions, I was assisted by my colleague Paul Chamois, P.Geo., Senior Geologist with RPA.

4. In drafting my report, in addition to the information set out in my report, I reviewed:

- (a) Property Option Agreement (Chabanel Township Properties) December 15, 2004;
- (b) Amendments to Property Option Agreements dated December 15, 2004 and February 23, 2005;
- (c) Excavation Agreement between John Joseph Leadbetter and Dianor Resources Inc. December 16, 2004;
- (d) Property Option Agreement (Chabanel Township Properties) February 23, 2005;

- (e) Purchase agreement for the Acquisition of an Additional Ten Percent (10%) Interest dated March 7, 2007;
- (f) Amendment to Leadbetter Property Option Agreement [Crown Land] August 25, 2008;
- (g) Amendment to Leadbetter Property Option Agreement [Patented Land] August 25, 2008; and
- (h) Agreement of Purchase dated November 27, 2008.

5. I have been advised by Lenczner Slaght LLP of the provisions of Rule 53.03 (2.1), which say:

(2.1) A report provided for the purposes of subrule (1) or (2) shall contain the following information:

1. The expert's name, address and area of expertise.
2. The expert's qualifications and employment and educational experiences in his or her area of expertise.
3. The instructions provided to the expert in relation to the proceeding.
4. The nature of the opinion being sought and each issue in the proceeding to which the opinion relates.
5. The expert's opinion respecting each issue and, where there is a range of opinions given, a summary of the range and the reasons for the expert's own opinion within that range.
6. The expert's reasons for his or her opinion, including,
  - i. a description of the factual assumptions on which the opinion is based,

ii. a description of any research conducted by the expert that led him or her to form the opinion, and

iii. a list of every document, if any, relied on by the expert in forming the opinion.

7. An acknowledgement of expert's duty (Form 53) signed by the expert.

6. Attached hereto as **Exhibit "C"** is my Acknowledgment of Expert's Duty.

7. As set out in my report, my conclusion (effective as of March 31, 2016) is that the Dianor Mining Claims have a value of \$1,000,000 to \$2,000,000, with the Leadbetter 15% GOR having a value of \$150,000 to \$310,000 and the Essar Steel Algoma Inc. 10% GOR having a value of \$70,000 to \$140,000.

**SWORN BEFORE ME** at the City of  
Toronto, in the Province of Ontario on  
the 19<sup>th</sup> of May, 2016



Commissioner for Taking Affidavits  
(or as may be)

*Shirley N. Roy*



**WILLIAM E. ROSCOE**

# Tab A



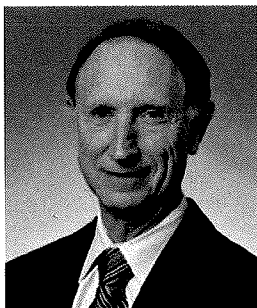
This is **Exhibit "A"** referred to in the affidavit of William E. Roscoe, sworn before me, this 19<sup>th</sup> day of May, 2016.



---

A COMMISSIONER FOR TAKING AFFIDAVITS

Sharon N. Roy



## Curriculum Vitae

### William E. Roscoe

Ph.D., P.Eng.



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#### Details

##### Position

Chairman Emeritus,  
Principal Geologist

##### Discipline

Geological Sciences

##### Languages

English, Spanish

##### Qualifications

- B.Sc.(Eng.), Geological Sciences, Queen's University, 1966
- M.Sc., Geological Sciences, McGill University, 1969
- Ph.D., Geological Sciences, McGill University, 1973
- Association of Professional Engineers of Ontario
- Association of Professional Engineers and Geoscientists of British Columbia
- Member of the Canadian Institute of Mining, Metallurgy and Petroleum

##### Key Skills

- Mineral Resource and Mineral Reserve Estimates and Audits
- Valuation of Mineral Properties
- Management of Mineral Exploration Projects

#### Synopsis

Dr. William Roscoe has 40 years of experience as a geologist, including 25 years as a consulting geologist and President of Roscoe Postle Associates Inc. His responsibilities include mineral resource and reserve work, exploration projects, valuation of mineral properties and other geological consulting services.

Dr. Roscoe is Co-Chair of the Special Committee on Valuation of Mineral Properties of the Canadian Institute of Mining, Metallurgy and Petroleum (CIMVal Committee). The CIMVal Committee developed Standards and Guidelines for Valuation of Mineral Properties from 1999 to 2003 and continues working towards industry-wide continuing education and implementation. From 2001 to 2008 Dr. Roscoe was on a Task Force which prepared a Guidance Note on Valuation in the Extractive Industries for the 2005 and 2007 International Valuation Standards.

Roscoe Postle Associates Inc. received a Special Achievement Award from the Prospectors and Developers Association of Canada in 2004 for its contributions towards developing standards for Mineral Resources and Mineral Reserves and Valuation of Mineral Properties. Dr. Roscoe has also been awarded a Fellowship of the CIM for his outstanding contributions to the Canadian minerals industry and to CIM. In 2009 he received the Robert Elver Mineral Economics Award from the CIM in recognition of his role in the development of Canadian Standards and Guidelines for Valuation of Mineral Properties and his contributions to Canadian mineral economics.

Dr. Roscoe has published extensively on mineral resource and reserve estimation techniques, standards and guidelines for valuation of mineral properties, and technical reporting requirements. He has given expert evidence on valuation of mineral properties in British Columbia Supreme Court and before the British Columbia Expropriation Compensation Board.

Dr. Roscoe is registered as a professional engineer in the provinces of Ontario and British Columbia and designated as a Consulting Engineer in the Province of Ontario, Canada.

#### Selected Professional History

##### Gold Properties, Ontario, Canada

Response Expert Report including a review and commentary on a valuation report on the properties prepared by another consulting firm, RPA's opinion on the Fair Market Value of the properties, a CIMVal Report, and a Second Expert Response Report.

##### Mining Concessions, Republic of Equatorial Guinea

Valuation of mining concessions and an expert opinion for the claimant's counsel in connection with an arbitration claim by Ivory Resources Inc. In 2015, Ivory Resources Inc. received a payment of US\$31.5 million for the services performed under a contract with the Republic of Equatorial Guinea.

##### Gold Exploration Properties, Canada, Chile, Brazil, Russia, Mauritania, Ghana and Côte d'Ivoire

Valuations for a confidential client.

##### Uranium Properties, Saskatchewan, Alberta and Peru

Valuations for a confidential client.

##### Mineral Exploration Properties, Red Lake Area, Ontario

Valuation of mineral exploration properties.

##### Uranium Properties, Saskatchewan

Valuation of uranium properties for Denison Mines.

**Curriculum Vitae**  
William E. Roscoe

**Selected Professional History** continued

**Mineral exploration properties in Canada, USA, Brazil, Chile, and Russia**

Valuation of mineral exploration lands for financial reporting purposes.

**Various exploration properties in British Columbia, Canada**

Valuation of mineral exploration properties in provincial parks for compensation to titleholders.

**Placer claims in British Columbia, Canada**

Valuation of gold exploration properties to assist in determining compensation for an impact from the upgrading of a highway.

**Uranium Exploration Properties, Nunavut, Canada**

Valuation of two uranium exploration properties for Agnico-Eagle Mines Ltd.

**Uranium and Diamond Properties, Nunavut, Canada**

Valuation of a uranium and diamond properties for Ur-Energy Inc.

**Uranium Exploration Properties, Canada, USA, Peru**

Valuation of uranium exploration properties in Quebec, Saskatchewan, Alberta, New Mexico, South Dakota, Wyoming and Peru for Strathmore Minerals Corporation.

**Iron Project, Ontario, Canada**

Valuation of an iron project in support of a new listing.

**Totoral and Harvest Gold-Copper Properties, Atacama Region, Chile**

A valuation report in support of a transaction for an acquisition of the properties, for Silvore Fox Minerals Corp.

**Base-metal properties in New Brunswick**

Valuation of a VMS deposit and an exploration property in support of a decision regarding the potential acquisition of an interest.

**Coal Project, Kentucky, USA**

Valuation and high-level due diligence review for a private equity firm.

**Selected Papers and Presentations**

**Valuation of Non-Producing Mineral Properties;** Presentation at PDAC Workshop on Investment Fundamentals: Understanding Mineral Exploration and Resource Development and the Relationship to Stock Prices, Prospectors and Developers Association of Canada Convention, 2006 to 2014.

**Metal Transaction Ration Analysis – A Market Approach for Valuation of Non-Producing Properties with Mineral Resources;** paper presented at the VALMIN Seminar Series, AusIMM, Perth, October 18, 2011 and Brisbane, April 17, 2012.

**Classification of a Mineral Resource and Drill Hole Spacing;** Presentation at PDAC Course on Best Practices, Prospectors and Developers Association of Canada Convention, 2010, 2012.

**Canadian Standards for Valuation of Mineral Properties;** with Deborah McCombe, CIM Bulletin, September-October 2008, v.3, No.6.

**Valuation of Exploration Properties;** Paper presented at PDAC Workshop on Mineral Exploration and Resource Development, Prospectors and Developers Association of Canada Convention, March 3, 2007.

**Curriculum Vitae**  
William E. Roscoe

**Selected Papers and Presentations (continued)**

**Valuation of Non-Producing Mineral Properties Using Market Comparables –** Presentation at Canadian Institute of Chartered Business Valuators/American Society of Appraisers Joint Business Valuation Conference, Toronto, October 19-20, 2006. Published in the Journal of Business Valuation, 2007, pp 207-231.

**Valuation of Mineral Assets;** Paper presented at Simexmin II Brazilian Symposium on Mineral Exploration, Ouro Preto, Brazil, May 23, 2006.

**Mining Project Due Diligence –** Presentation at Canada-China Investment Forum, Prospectors and Developers Association of Canada Convention Annual Convention, Toronto, March 6, 2006.

**Valuation of Exploration Properties;** Paper presented at PDAC Workshop on Mineral Exploration and Resource Development, Prospectors and Developers Association of Canada Convention, March 4, 2006.

**Valuation of Exploration Properties;** Paper presented at Desjardins Workshop on Mineral Exploration and Resource Development, September 8, 2005.

**Developments in Canada on Valuation of Mineral Properties;** Paper presented at International Valuation Session, SME 2004, Denver, Colorado, February 24, 2004.

**CIMVal Standards and Guidelines for Valuation of Mineral Properties;** Canadian Institute of Mining, Metallurgy and Petroleum Special Committee on Valuation of Mineral Properties; CIM Quebec Branch Distinguished Lecture, October 14, 2003; Montreal Branch Distinguished Lecture, November 10, 2003; Halifax Branch Distinguished Lecture, April 8, 2004; CIM Thompson Branch Distinguished Lecture, Mid Canada Mining Corridor Conference, May 31, 2004

**Valuation of Non-Producing Mineral Properties Using the Cost Approach;** Paper presented at the Centre for Advanced Property Economics, Mineral Appraisal Meeting, Denver, Colorado, October 1-3, 2003.

**Valuation of Non-Producing Mineral Properties;** Proceedings of the Fifth Joint Business Valuation Conference of the Canadian Institute of Chartered Business Valuators and the American Society of Appraisers, Orlando, October 24-26, 2002; the Journal of Business Valuation 2003.

**Valuation of Non-Producing Mineral Properties;** Paper Presented at the CIMVal Workshop on Valuation of Mineral Properties; Canadian Institute of Mining, Metallurgy and Petroleum Annual General Meeting, Montreal, May 4, 2003.

**Appraised Value Method Case Studies;** Paper Presented at the CIM Workshop on Valuation of Mineral Properties, Montreal, May 4, 2003.

**CIMVal Valuation Standards and Guidelines;** with Keith Spence, Paper Presented at the Canadian Institute of Mining, Metallurgy and Petroleum Annual General Meeting, Montreal, May 5, 2003.

**Valuation of Non-Producing Mineral Properties;** Paper Presented at the Fifth Joint Advanced Business Conference, American Society of Appraisers and Canadian Institute of Chartered Business Valuators, Orlando, October 25, 2002.

**CIMVal Draft Standards and Guidelines;** with Keith Spence, Paper Presented at the Canadian Institute of Mining, Metallurgy and Petroleum Annual General Meeting, Vancouver, April 29, 2002.

**Report on the SAIMM Colloquium: Valuation of Mining Projects and Properties –** An African Perspective; Paper Presented to the International Mining Professionals Society, Toronto, Vancouver and Denver, April 17, 2002.

Curriculum Vitae  
William E. Roscoe

**Selected Papers and Presentations (continued)**

**Canadian Standards for Valuation of Mineral Properties – A Progress Report;** Paper Presented at the South African Institute of Mining and Metallurgy Colloquium on The Valuation of Mining Projects and Properties – An African Perspective, Randburg, South Africa, March 10-20, 2002.

**CIMVal Draft Standards and Guidelines;** with Keith Spence, Paper Presented at a Short Course at the Prospectors and Developers Association of Canada Annual General Meeting, Toronto, March 13, 2002.

**Valuation of Mineral Exploration Properties Using the Cost Approach;** CIM Bulletin, Vol. 95, No. 1059, pp. 105-109, March 2002.

**Outline of the Cost Approach to Valuation of Mineral Exploration Properties;** Proceedings of VALMIN 01 Conference, Mineral Asset Valuation Issues for the Next Millennium 2001 – The Australian Institute of Mining and Metallurgy, Publication Series 5/01, Sydney, Australia, October 25-26, 2001.

**Update on Canadian Standards and Guidelines for Valuation of Mineral Properties;** with Keith N. Spence, Paper Presented at Valuation Session – CIM Annual General Meeting, Québec City, Québec, May 1, 2001.

**Valuation Methods: Early Stage Properties;** with Ian S. Thompson, Presentation and Workshop at Mineral Property Valuation Short Course, Sponsored by the B.C. & Yukon Chamber of Mines, Vancouver, B.C., November 30, 2000.

**Development of Canadian Standards and Guidelines for Valuation of Mineral Properties;** with Keith N. Spence; Paper Presented at Society for Mining, Metallurgy and Exploration Annual Meeting, Valuation Session, Denver, Colorado, February 27, 2001.

**Valuation of Mineral Exploration Properties Using the Cost Approach;** Presented at the Mining Millennium 2000 Convention, Metro Toronto Convention Centre, Canadian Institute of Mining, Metallurgy and Petroleum, Prospectors and Developers Association of Canada, March 8, 2000.

**The Valuation of Mineral Properties For Compensation;** presented at the Fall Seminar of the British Columbia Expropriation Association, October 29, 1999.

**The Value of Exploration Properties as Raw Material for New Mines;** Presentation to the CIM Mineral Economics Society Discussion Group, Toronto, October 12, 1994.

**Mineral Property Values and Black Monday;** presented to a joint meeting of the Toronto Geological Discussion Group and the CIM Mineral Economics Committee Discussion Group, October 19, 1989.

**Valuation of Mining Exploration Properties;** The Land Economist, v.18, no.4, p.3, January 1988.

**Getting Your Money's Worth;** The Northern Miner Magazine, v.1, no.2, pp.17-21, February 1986.

**Valuing Exploration Properties;** The Mining Letter, Currie, Coopers & Lybrand, v.2, no.1, pp.4-5, January, 1985.

# Tab B

This is **Exhibit "B"** referred to in the affidavit of William E. Roscoe, sworn before me, this 19<sup>th</sup> day of May, 2016.

A stylized handwritten signature in black ink, consisting of a large loop and a horizontal stroke.

---

A COMMISSIONER FOR TAKING AFFIDAVITS

Shar N. Roy

May 5, 2016

Mr. Arif Bhalwani  
Managing Director  
Third Eye Capital  
3930-161 Bay St.  
Toronto, ON  
M5J 2S1

Dear Mr. Bhalwani,

### **RE: Leadbetter Property Valuation Update**

Roscoe Postle Associates Inc. (RPA) was retained by Third Eye Capital (Third Eye) to complete an update of the valuation of the Leadbetter property (the Property or the Project) of Dianor Resources Inc. (Dianor). The Property is located in Chabanel Township, approximately 12 km by road northeast of Wawa, Ontario.

RPA understands that this valuation is required to support Third Eye's buyout of a royalty held on the Leadbetter property. The effective date of this valuation is March 31, 2016. This valuation report updates a previous valuation of the Property dated January 26, 2015. RPA has been requested to provide an opinion on the value of two royalties on the Property.

All currency is Canadian dollars (C\$) unless otherwise indicated.

RPA has derived a range of Market Values for the Project using the Market Approach (Comparable Transactions Analysis). As of March 31, 2016, RPA estimates that the Market Value for the Leadbetter Property ranges from \$1 million to \$2 million.

### **DISCLAIMER**

This report has been prepared by RPA at the request of Lenczner Slaght on behalf of Third Eye Capital ("the Client"). Any use of this report is subject to the agreed terms, conditions and limitations (the "Terms of Business") contained in the RPA proposal accepted by the Client on April 19, 2016, which Terms of Business are incorporated into this Disclaimer by reference. The report may be used by the Client in connection with its review of the Leadbetter Project and shall not be used nor relied upon by any other party, nor for any other purpose, without the written consent of RPA. RPA accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions based on this report. If RPA specifically consents in writing to the use of and reliance on this report by any party other than the Client, such use and reliance shall be in all respects subject to the Terms of Business, including the limitations of liability set forth therein. In no event will RPA have aggregate liability to the Client or any third parties in excess of the limitations set forth in the Terms of Business.



The information, conclusions, opinions, and estimates contained herein are based on:

1. information available to RPA at the time of preparation of this report,
2. assumptions, conditions, and qualifications as set forth in this report, and
3. data, reports, and opinions supplied by the Client and other third party sources.

While it is believed that the information contained herein is reliable under the conditions and subject to the limitations set forth herein, this report is based in part on information not within the control of RPA and RPA does not guarantee the validity or accuracy of conclusions or recommendations based upon that information. While RPA has taken all reasonable care in producing this report, it may still contain inaccuracies, omissions, or typographical errors.

The report is intended to be read as a whole and sections should not be read or relied upon out of context.

The information contained in this report may not be modified or reproduced in any form, electronic or otherwise except for the Client's own use unless the Client has obtained RPA's express permission.

## PROPERTY BACKGROUND

The Property is divided by Dianor into two parts, the Leadbetter claims and the Leadbetter Extension. The Leadbetter Extension is comprised entirely of patented claims with an area of 646 ha, while the Leadbetter consists of unpatented mining claims with an area of 944 ha. The total area of the two properties is 1,590 ha.

RPA understands that there are three gross overriding royalties (GOR) on production from the Project. Mr. Joseph Leadbetter holds a 15.44% GOR on any diamond production from the entire Property and a 1.5% gross royalty on any non-diamond production, excluding sand and gravel. Essar Algoma Steel (formerly Algoma Steel Incorporated) holds a 10% GOR on any production from the Leadbetter Extension claims only.

Diamonds were discovered on the Property in 2004. Diamonds on the Property are hosted in an Archean-aged conglomerate unit referred to as the Leadbetter Conglomerate. Dianor acquired a 100% interest in the Property in 2008. Exploration by Dianor included the completion of 157 drill holes totalling 47,532.51 m and the test pitting of 105 sites. Samples from the test pitting were processed by SGS Lakefield Research in Lakefield, Ontario, and yielded 3,603 diamonds weighing 82.7 carats. An order of magnitude tonnage estimate by Verley (2009) for the Leadbetter Conglomerate ranged from 550 million tonnes to 583 million tonnes. The results of work to date indicate that locally grades are of potential economic interest.

RPA's predecessor company Scott Wilson RPA prepared a valuation of the Leadbetter property for Third Eye with an effective date of June 11, 2010. Considering three valuation methods in the estimation of a Market Value (Comparable Transactions Analysis, Appraised Value, and Market Capitalization), Scott Wilson RPA estimated a range of \$20 million to \$40 million as of the June 11, 2010 valuation date.

In 2012, RPA compiled new comparable transactions and combined these with the ones compiled in 2010. On the basis of comparability, RPA estimated an approximate value range of \$5 million to \$10 million for the Property as of September 26, 2012.

In 2015, RPA compiled more recent comparable transactions from late 2012 to early 2015, and considered that a value range of \$1 million to \$2 million was appropriate for the Property as of January 23, 2015.

## **VALUATION APPROACHES**

The three main approaches to valuation of mineral properties are Income, Cost, and Market approaches. Only the Market Approach (Comparable Transactions Analysis) was used to value the Leadbetter property. The following section summarizes the Market Approach method after Roscoe (2007).

### **COMPARABLE TRANSACTIONS ANALYSIS**

Comparable Transactions Analysis involves compilation of data on mineral properties similar to the subject properties on which transactions have taken place within a reasonable time period of the valuation date. The selection of comparable transactions uses factors such as similarity in geology, mineralization, stage of exploration and results, mineral resources, location and geography, and political jurisdiction. Although it is difficult to find good market comparables because of the unique nature of mineral properties and the small number of transactions, these difficulties are compensated for by analyzing a number of transactions on similar properties to develop a range of values for the subject property.

Since market transactions on exploration properties are typically option, earn-in, or joint venture agreements whereby one party can earn an interest in the property, the agreement terms, to the extent known, are analyzed to estimate a value for each property transaction using the Option Agreement Terms Analysis method, which is described below.

For mineral exploration properties without mineral resources, the value of market comparables can be expressed in terms of total property value or value per unit area (e.g., \$ per hectare). For mineral properties with reported mineral resources, the value of market comparables can be expressed in terms of value per unit of metal contained in the mineral resources (e.g., \$ per carat of diamonds). The market comparable values are then analyzed to derive an appropriate range of values to apply to the property area or the mineral resources of the subject property, as the case may be.

Since there are no mineral resources estimated for the Leadbetter property, RPA has used comparable transactions on diamond exploration properties without mineral resources.

### **OPTION AGREEMENT TERMS ANALYSIS**

The Option Agreement Terms Analysis method was utilized to value the properties used as market comparable transactions.

Most market transactions on non-producing mineral properties are not straightforward cash or share deals, but rather are typically option, earn-in, or joint venture agreements whereby one party obtains the right to earn an interest in the property from another party by fulfilling certain commitments over a period of time. The terms of the option or earn-in agreement must be analyzed to estimate a value for the property being transacted.

In a typical option agreement, a schedule of firm and optional commitments must be fulfilled to earn an interest in the property. The commitments may include payment of cash, issue of shares by the earn-in party, expenditures on mineral exploration, and royalties on production. In general, the commitments are firm in the first year and optional in subsequent years.

Option Agreement Terms Analysis considers the firm commitments to contribute 100% to the value of the property. The optional commitments are assigned a subjective probability of the earn-in party fulfilling each of the annual commitments in the subsequent years of the agreement. The optional commitments multiplied by the probability factor for each year are considered to be the contribution to value. The transaction value is the sum of the firm commitment values and the probability-weighted optional commitment values. If the transaction is for a partial interest in the property, the value is adjusted to a 100% interest in the property.

## VALUATION OF THE LEADBETTER PROJECT

RPA valued the Property using a Market Approach (Comparable Transaction Analysis method). Because no significant work has been completed on the Property in recent years, RPA did not consider that the Appraised Value Method (a Cost Approach) was appropriate.

For the current valuation, RPA estimated a value range for the Property. Based on the Property value range, RPA then estimated value ranges for the GORs.

RPA compiled information on market transactions by companies listed on various stock exchanges which have active diamond exploration properties in Canada for the period since the last valuation update for the Leadbetter property. Numerous transactions on diamond properties were identified by RPA using proprietary databases compiled by Intierra Resource Intelligence and SNL Finance from which 18 were chosen for analysis. The agreement terms, to the extent known, were analyzed to estimate a value for each property transaction. In cases where the transaction was for less than 100% of the property, the value was adjusted to a 100% interest in the property. Values per hectare were calculated for each property from the total property value and the area in hectares. RPA has analyzed the statistics of the comparable transaction property values and \$/ha values in terms of the mean, median, standard deviation, and coefficient of variation (CV). The CV is the standard deviation divided by the mean and is a measure of the variability of the data.

In order to compile data on market transactions on exploration properties that are comparable to the Leadbetter property, RPA used the following criteria:

- Comparable transactions were sought for exploration properties in Canada for which the primary exploration target is diamonds.
- Although in practice it can be difficult to do, transactions were selected which have property areas in the same order of magnitude as the subject property. This is because, in general, very large properties tend to have lower values per hectare and very small properties tend to have higher values per hectare.
- Transactions with dates from October 2012 to September 2015 were selected for the March 31, 2016 valuation date.
- Transactions were not deemed applicable if the 100% estimated property value did not reflect a reasonable dollar amount supportive of the requirements for ongoing exploration.
- Transactions selected were all arm's length, to the best of RPA's knowledge.

Considerations in choosing an appropriate range of \$/ha values and property values to apply to the subject property include:

- Examining the mean and median values as well as the overall range of values.
- Eliminating outliers at the high and/or low end of the value range. This usually results in a lower CV.

- Determining which properties are more similar to the subject property.
- Rounding off property values and \$/ha values appropriately.

Since market transactions on exploration properties are typically option, earn-in, or joint venture agreements whereby one party can earn an interest in the property, the agreement terms, to the extent known, are analyzed to estimate a value for each property transaction using the Option Agreement Terms Analysis method, which is described above in the section on Valuation Approaches.

Table 1 summarizes the comparable transactions used and the transactions analysis for the Leadbetter property.

**TABLE 1 COMPARABLE TRANSACTIONS**  
Third Eye Capital - Leadbetter Property Valuation

Property	Location	Date	Size (ha)	Equity Earned	Buyer	Seller	Property Value 100%	C\$/ha
Redemption	NWT	04-Jul-13	11,500	55%	North Arrow Minerals	Arctic Star Exploration	5,318,200	462
Eric Lake	NT	27-Jan-14	2,090	60%	Thunderstruck Resources	Hunter Exploration	2,579,950	1,234
Margaret Lake	NWT	14-Mar-14	19,716	70%	JDV Capital Corp.	Harsbo Minerals	2,085,700	106
Marlin	NWT	28-Aug-14	26,000	49%	Margaret Lake Diamonds	Canterra Minerals	1,964,700	76
Margaret Lake	NWT	23-Dec-13	19,716	70%	Harsbo Minerals	Margaret Lake Diamonds	1,931,900	98
Margaret Lake	NWT	13-Jul-15	19,716	40%	Margaret Lake Diamonds Inc.	Margaret Lake Diamonds Ltd.	1,657,500	84
LDG/GT	NWT	25-Oct-12	32,982	50%	North Arrow Minerals	Springbok Holdings	1,000,000	30
Pikoo	SK	14-Mar-13	33,374	80%	North Arrow Minerals	Stornoway Diamonds	1,000,000	30
Orion	QC	16-Oct-14	2,275	100%	Prima Diamond Corp.	Fiducie Ananke	979,600	431
Kahuna	NT	18-Aug-14	13,000	100%	Dunedin Ventures Inc.	Undisclosed	875,400	67
Godspeed Lake	NWT	27-Jun-14	42,000	100%	Prima Diamond Corp.	DG Resource Mgmt.	866,650	21
GEFA	SK	27-Jan-14	13,150	60%	Alto Ventures	Private Vendors	691,650	53
Reindeer	SK	05-May-14	67,350	75%	Canadian International Minerals	Reindeer Syndicate	440,825	7
Eight Permits	NT	06-May-15	115,000	100%	Trigold Resources	Private Vendors	267,677	2
Munn Lake	NWT	25-Jul-14	14,000	100%	Prima Diamond Corp.	DG Resource Mgmt./Zimtu Capital	262,900	19
Timiskaming	QC	14-Mar-13	3,865	80%	North Arrow Minerals	Stornoway Diamonds	225,000	58
Two Claims	SK	27-Jan-14	2,467	100%	Copper Reef Mining	CanAlaska Uranium	146,425	59
LG	QC	29-Sep-15	2,275	100%	Honey Badger Exploration	9019-5504 Quebec Inc.	102,041	45
All transactions						Mean	1,244,229	160
						Median	927,500	59
						Std Dev	1,263,427	298
						CV	102%	2
Without 1 highest and 2 lowest property values						Mean	1,121,963	154
						Median	979,600	58
						Std Dev	746,658	316
						CV	67%	2
Without 1 highest and 6 lowest property values						Mean	1,421,186	203
						Median	1,000,000	76
						Std Dev	639,046	361
						CV	45%	2
Range of middle 5 property values without 1 highest and 6 lowest							979,600 to 1,931,900	

**Recommended Property Value Range**

**\$1 million to \$2 million**

RPA analyzed the comparable transactions on a \$/ha basis and on a total property value basis. RPA noted that there is less variability in the property values compared to the \$/ha basis and that the property values do not seem to be related to size, although there is some scatter in the data. RPA therefore used the total property values of the comparable transactions to estimate a range of values to apply to the Leadbetter property.

RPA reviewed transaction data for trends over time. Although there is some scatter, there appears to be no distinct trend in property values from late 2012 to late 2015. RPA therefore used all 18 transactions from late 2012 to late 2015 in its analysis. RPA also examined each transacted property for comparability to the Leadbetter property by deriving a comparability index based on indications of diamond mineralization, stage of exploration, and proximity to infrastructure. RPA noted no correlation of property values with the comparability index, and used all of the transactions in its analysis.

Based on the analysis of market comparable transaction property values in Table 1, RPA considers that a value range of \$1 million to \$2 million is appropriate for the Property. This value range is toward the higher end of the of property values of market transactions listed in Table 1 because the Property is at an advanced stage of exploration, diamonds have been discovered, and significant size potential is demonstrated by the work to date. Of the range of \$1 million to \$2 million for the whole Property, RPA judges that in the order of 70% of the potential tonnage is on the Leadbetter Extension claims and 30% is on the remaining claims. RPA has therefore allocated 70% of the total Property value to the Leadbetter Extension claims for a range of \$0.7 million to \$1.4 million.

## GOR VALUATION

Mr. Joseph Leadbetter holds a 15.44% GOR on any diamond production from the entire property and a 1.5% gross royalty on any non-diamond production. Essar Algoma Steel holds a 10% GOR on any diamond production from the Leadbetter Extension claims. This valuation includes the 15.44% GOR and the 10% GOR, and does not include the 1.5 % non-diamond royalty.

A GOR is similar to a Net Smelter Return Royalty (NSR) which is more common in the mining industry. GORs and NSRs have the following general characteristics with respect to mineral properties:

- GOR is calculated from the gross proceeds of production and is not related to margin or profitability of an operation, since there is no deduction for the costs of operation.
- Most NSRs are in the order of 1% to 5%, and higher ones are highly unusual in the mining industry, in RPA's experience.
- In terms of valuation, the NSR or GOR can represent more than its nominal percentage of the value of a mining project. This is because the value of a mining project is related to its operating margin after deduction of operating costs and capital costs from gross proceeds, whereas the GOR or NSR is related to the gross proceeds.
- As a simplified example, if the annual gross proceeds of a mining operation are \$100 million and operating costs are \$50 million, operating margin is \$50 million. A 5% NSR would be 5% of \$100 million, or \$5 million, which is 10% of the operating margin. The multiplier effect of 2:1 in this example can be higher when capital and other costs are taken into account, or if operating costs are higher.
- A high GOR, while highly beneficial to the royalty holder, can have a detrimental effect on the profitability of a mining operation because of this multiplier effect.

- In the case of a mining operation with a relatively low operating margin, a high GOR or NSR can reduce the operating margin to the point that the operation is unprofitable.
- For a new operation, the operating margin or cash flow must be sufficient to repay the capital required to build the project. A high NSR or GOR may leave insufficient cash to repay the capital investment, rendering the project uneconomic so that it may not be built.

RPA has considered the positive and negative factors listed above in valuation of the GORs on the Leadbetter Project. In RPA's view, the high GORs of 10% and 15%, especially in combination, are a significant encumbrance on the Property that detracts from the multiplier effect described above, and could render a potential operation uneconomic. The unusually high GOR percentages can have the effect of inhibiting or even preventing a potential sale of the Property. For valuation purposes, RPA considers that the GOR percentages should be applied directly to the Property value ranges, as shown in Table 2.

**TABLE 2 VALUATION OF GROSS OVERRIDING ROYALTIES**  
**Third Eye Capital – Leadbetter Property Valuation**

Royalty	Applicable Property	Property Value (\$M)	GOR (%)	GOR Value Range (\$) (rounded)
Leadbetter	All claims	1.0 to 2.0	15.44	150,000 to 310,000
Essar Algoma Steel	Leadbetter Extension claims	0.7 to 1.4	10	70,000 to 140,000

## VALUATION SUMMARY

RPA has estimated the value of the Leadbetter property using the Comparable Transactions Analysis on a property value basis. In RPA's opinion, the Leadbetter property has a value range of \$1 million to \$2 million as of the valuation date of March 31, 2016, of which \$0.7 million to \$1.4 million is allocated to the Leadbetter Extension claims.

Based on the Property value ranges, RPA has estimated a value range of \$150,000 to \$310,000 to the Leadbetter 15% GOR on the entire Property and a value range of \$70,000 to \$140,000 million to the Essar Algoma Steel 10% GOR on the Leadbetter Extension claims part of the Property.

RPA would like to thank Third Eye Capital for the opportunity to work on this Project. Should you have any questions, please do not hesitate to contact us at any time.

Sincerely,  
**Roscoe Postle Associates Inc.**



William E. Roscoe, Ph.D., P.Eng.  
Principal Geologist

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## REFERENCES

Roscoe, W.E., 2007: Valuation of Non-Producing Mineral Properties Using Market Comparables; Journal of Business Valuation, 2007, pp. 207-231.

Verley, C.G., 2009: 2009 Update of Activities on the Leadbetter Diamond Project. A report prepared for Dianor Resources Inc. by Amerlin Exploration Services Ltd.



# Tab C

This is **Exhibit "C"** referred to in the affidavit of William E. Roscoe, sworn before me, this 19<sup>th</sup> day of May, 2016.



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A COMMISSIONER FOR TAKING AFFIDAVITS

Shar N. Roy

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

THIRD EYE CAPITAL

Applicant

and

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

Respondent

**APPLICATION UNDER SECTION 243 OF THE *BANKRUPTCY AND  
INSOLVENCY ACT* AND SECTION 101 OF THE *COURTS OF JUSTICE  
ACT***

**ACKNOWLEDGMENT OF EXPERT'S DUTY**

1. My name is William E. Roscoe. I live in Toronto in the Province of Ontario.
2. I have been engaged by or on behalf of Lenczner Slaght LLP to provide evidence in relation to the above-noted court proceeding.
3. I acknowledge that it is my duty to provide evidence in relation to this proceeding as follows:
  - (a) to provide opinion evidence that is fair, objective and non-partisan;
  - (b) to provide opinion evidence that is related only to matters that are within my area of expertise; and
  - (c) to provide such additional assistance as the Court may reasonably require, to determine a matter in issue.
4. I acknowledge that the duty referred to above prevails over any obligation which I may owe to any party by whom or on whose behalf I am engaged.

Date

May 19, 2016

William E. Roscoe  
Signature

**NOTE:** This form must be attached to any expert report under subrules 53.03(1) or (2) and any opinion evidence provided by an expert witness on a motion or application.

THIRD EYE CAPITAL  
Applicant

-and- RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.  
Respondent

Court File No. CV-15-11080-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**ACKNOWLEDGMENT OF EXPERT'S DUTY**

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Lawyers for the Applicant

THIRD EYE CAPITAL  
Applicant

-and-

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.  
Respondent

Court File No. CV-15-11080-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**AFFIDAVIT OF WILLIAM E. ROSCOE**

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-and-  
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Respondent

Court File No. CV-15-11080-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**MOTION RECORD OF THE APPLICANT,  
THIRD EYE CAPITAL CORPORATION**

**LENCZNER SLAGHT ROYCE  
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