

OPTION AGREEMENT
AMONG
BUCHANS MINERALS CORPORATION
AND
SG SPIRIT GOLD INC.
AND
7980736 CANADA INC.

DATED the 24th day of January, 2012

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THIS OPTION AGREEMENT (this "**Agreement**") is dated as of the [23rd] day of January, 2012 (the "**Execution Date**").

AMONG:

BUCHANS MINERALS CORPORATION, a corporation having an office at 247 Dill Road, RR1, Windsor, NS, B9N 2T0

(the "**Vendor**")

AND:

SG SPIRIT GOLD INC., a corporation having an office at Suite 1240, 1140 West Pender Street, Vancouver, BC, V6E 4G1

(the "**Purchaser**")

AND:

7980736 CANADA INC., a corporation having an office at 247 Dill Road, RR1, Windsor, NS, B9N 2T0

("Privateco")

W H E R E A S:

A. The Vendor is a company continued under the laws of Canada and is listed on the TSX Venture Exchange (the "**TSXV**").

B. Privateco is a wholly-owned subsidiary of the Vendor and is incorporated pursuant to the laws of Canada.

C. Privateco is the registered, legal and beneficial holder of: (i) a 100% title and interest in certain mining claims (subject to certain net smelter royalty payments and underlying agreements with third parties) known as the Buchans property, inclusive of the Lundberg deposit, and Tulks North property, inclusive of the Daniels Pond deposit, and (ii) a 49% interest in the Tulks Hill joint venture with Prominex Resources Inc. (subject to potential dilution), all of which are located near Buchans, Newfoundland, and which claims are fully described in Schedule "A" attached hereto (collectively, the "**Property**").

D. The Purchaser is a company continued under the laws of the province of British Columbia and is listed on the TSXV.

E. The Vendor wishes to grant the Purchaser the exclusive right and option to acquire a 100% interest in Privateco and the Parties (as defined herein) wish to enter into this Agreement to provide for such right and option and other matters relating to the exploration and development of the Property.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the payment by each Party to the other of the sum of \$10.00 (the receipt and sufficiency of which is

hereby acknowledged by each Party) and of the mutual covenants and agreements contained herein the Parties agree as follows:

1. DEFINITIONS

1.1 In this Agreement and in the Schedules and the recitals hereto, unless the context otherwise requires, the following expressions will have the following meanings:

- (a) "**Acceptance Notice**" has the meaning given to that term in Section 7.4;
- (b) "**Business Day**" has the meaning given to that term in Section 1.2(g);
- (c) "**Closing**" has the meaning given to such term in Section 4.3;
- (d) "**Closing Date**" has the meaning given to such term in Section 9.1;
- (e) "**Consolidation**" means the consolidation of the Purchaser's common shares on the basis of one post-consolidation common share for every two pre-consolidation common shares and the corresponding adjustment of the Purchaser's outstanding options and warrants;
- (f) "**Defaulting Party**" has the meaning given to that term in Section 20.1;
- (g) "**Earn-In Warrants**" has the meaning given to such term in Section 4.2(b)(iii);
- (h) "**Encumbrances**" means all interests, mortgages, charges, royalties, security interests, liens, encumbrances, actions, claims, demands and equities of any nature whatsoever or however arising and any rights or privileges capable of becoming any of the foregoing;
- (i) "**Environmental Law**" means applicable law in respect of the natural environment, public or occupational health or safety, and the manufacture, importation, handling, transportation, storage, disposal and treatment of Hazardous Substances;
- (j) "**Equity Financing**" means the sale or placement by the Purchaser, following the Closing Date, of shares or other equity interests of the Purchaser or of any options, warrants, rights or interests exercisable for or convertible into shares or other equity interests of the Purchaser; for greater certainty, the definition "**Equity Financing**" does not include the exercise of any options granted under any of the Purchaser's equity incentive or option plans or the exercise of any outstanding warrants of the Purchaser;
- (k) "**Expenditure Obligations**" has the meaning given to that term in Section 11.1;
- (l) "**Expiry Date**" means March 30, 2012, as such date may be extended in accordance with Section 4.2(a), or such other date as may be agreed to in writing by the Parties, and the Parties agree to act reasonably with respect to agreeing to

any such extension taking into consideration events that may arise in the course of the transactions contemplated herein that are not within the Parties' control;

- (m) "**Exploration Funds**" has the meaning given to that term in Section 4.2(b)(i);
- (n) "**Feasibility Study**" has the meaning ascribed to that term by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended;
- (o) "**Hazardous Substance**" means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property or plant or animal life or harm or impair the health of any individual and includes any contaminant, waste, substance or material defined by Environmental Law as hazardous, toxic or dangerous or any other substance or material prohibited, regulated or reportable pursuant to any Environmental Law;
- (p) "**IFRS**" means International Financial Reporting Standards;
- (q) "**Interim Period**" means the period of time from the Execution Date until the Closing;
- (r) "**Intervening Event**" has the meaning given to that term in Section 19.1;
- (s) "**ITA**" has the meaning given to that term in Section 9.2(c);
- (t) "**Joint Circular**" has the meaning given to that term in Section 15.6;
- (u) "**knowledge**" means the actual knowledge of the Chief Executive Officer, Chief Financial Officer and other senior officers of the Vendor, Privateco, or the Purchaser, as applicable, after having made due inquiries regarding the relevant matter;
- (v) "**Legal Proceeding**" means any litigation, action, application, suit, investigation, hearing, claim, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal and includes any appeal or review thereof and any application for leave for appeal or review;
- (w) "**Material Adverse Effect**" means a change, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with other such change, effect, event, circumstance, fact or occurrence, is or would reasonably be expected to be material and adverse to the condition (financial or otherwise), business, affairs, properties, assets, liabilities, capitalization, operations or the results of operation of the Purchaser or Privateco, as applicable, and its subsidiaries, taken as a whole, or could or could reasonably be expected to prevent, materially delay or materially impair the ability of the Vendor and Privateco or the Purchaser, as

applicable, to complete the transactions contemplated by this Agreement and of the Purchaser, the Vendor and Privateco to otherwise consummate the transactions contemplated in this Agreement, except any such effect resulting from or arising in connection with: (a) any adoption, proposal, implementation or change in applicable law or any interpretation thereof by any governmental entity; (b) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in general economic, business, regulatory, political or market conditions or in national or global financial or capital markets; (c) any natural disaster; (d) the announcement of this Agreement or any transactions contemplated herein, or otherwise contemplated by or arising as a result of the terms of this Agreement; provided, however, that with respect to clauses (b) and (c), such matter does not have a materially disproportionate effect on the Purchaser or Privateco, as applicable, taken as a whole, relative to other comparable companies and entities operating in the industries in which the Purchaser or Privateco, as applicable, operates;

- (x) "**NCP**" has the meaning given to that term in Section 14.1;
- (y) "**Notice**" has the meaning given to that term in Section 7.2;
- (z) "**Offer Period**" has the meaning given to that term in Section 7.4;
- (aa) "**Option**" has the meaning given to that term in Section 4.1;
- (bb) "**Order**" means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any governmental authority having jurisdiction;
- (cc) "**Party**" means any of the Vendor, Privateco or the Purchaser and their successors and permitted assigns and "**Parties**" means together, the Vendor, Privateco and the Purchaser and their successors and permitted assigns;
- (dd) "**Payment Shares**" has the meaning given to that term in section 4.2(b)(ii) and which, for greater certainty shall be post-Consolidation common shares in the capital of the Purchaser;
- (ee) "**person**" means any natural person, firm, company, governmental authority, joint venture, partnership, association or other entity (whether or not having separate legal personality);
- (ff) "**Privateco Shares**" means the 1,000,000 issued and outstanding common shares of Privateco held by the Vendor, being all of the issued and outstanding common shares of Privateco;
- (gg) "**Project Team**" has the meaning given to that term in Section 12.1;
- (hh) "**Property**" has the meaning given to that term in the recitals to this Agreement;
- (ii) "**Purchase Price**" has the meaning given to that term in Section 4.2(b)(i);

- (jj) "**Purchaser's Meeting**" has the meaning given to that term in Section 15.3;
- (kk) "**Purchaser's Properties**" means mineral properties set out in Schedule "J" to this Agreement;
- (ll) "**Related Properties**" has the meaning given to that term in Section 5.1;
- (mm) "**Sale Shares**" has the meaning given to that term in Section 7.2;
- (nn) "**Securities Act**" means the *Securities Act* (British Columbia), as amended;
- (oo) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval;
- (pp) "**Seed Financing**" has the meaning given to that term in Section 4.2(a);
- (qq) "**Seed Financing Deadline**" has the meaning given to that term in Section 4.2(a);
- (rr) "**Shares**" has the meaning given to that term in Section 7.1;
- (ss) "**Success Fee**" has the meaning given to that term in Section 14.1;
- (tt) "**Survival Period**" has the meaning given to such term in Section 2.3;
- (uu) "**Underlying Agreements**" means those agreements identified as "Underlying Agreements" in Schedule "E" to this Agreement;
- (vv) "**Upfront Option Payment**" has the meaning given to such term in Section 4.2(b)(i); and
- (ww) "**Vendor's Meeting**" has the meaning given to such term in Section 15.4.

1.2 In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) all references in this Agreement to "Articles", "Sections" and other subdivisions or Schedules are to the designated articles, sections or other subdivisions or Schedules of or attached to this Agreement;
- (b) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section or other subdivision;
- (c) the headings are for convenience only and do not form part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement;
- (d) the singular of any term includes the plural, and vice versa, the use of any term is equally applicable to any gender and, where applicable, a body corporate, the

word "or" is not exclusive and the word "including" is not limiting (whether or not non-limiting language is used with reference thereto);

- (e) the words "written" or "in writing" include printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception including telex, telegraph, telecopy, facsimile or e-mail;
- (f) any reference to a statute is a reference to the applicable statute and to any regulations made pursuant thereto and includes all amendments made thereto and in force from time to time and any statute or regulation that has the effect of supplementing or superseding such statute or regulation;
- (g) a "day" shall refer to a calendar day and in calculating all time periods the first day of a period is not included and the last day is included and references to a "Business Day" shall refer to days on which banks are ordinarily open for business in St. John's, Newfoundland and Labrador and Vancouver, British Columbia, but if a period ends on a day on which the banks are not open for business in St. John's, Newfoundland and Labrador or Vancouver, British Columbia, the period will be deemed to expire on the next calendar day on which banks are open for business in St. John's, Newfoundland and Labrador and Vancouver, British Columbia; and
- (h) all references to "\$" or "dollars" are references to the lawful currency of the Canada.

2. REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 The Vendor represents and warrants to the Purchaser that, as of the date of this Agreement:

- (a) it is a valid and subsisting corporation duly incorporated under the laws of its jurisdiction of incorporation and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of the Vendor enforceable against it in accordance with its terms except that:
 - (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
 - (iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and

- (iv) rights of indemnity and contribution hereunder may be limited under applicable law;
- (b) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflicts with, results in a breach of or accelerates the performance required by any agreement to which it is a party;
- (c) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, results in a breach of the laws of any applicable jurisdiction or its constating documents;
- (d) the Vendor is current in the filing of all public disclosure documents required to be filed by the Vendor under applicable securities laws and stock exchange rules, there are no filings that have been made on a confidential basis, all of such filings comply with the requirements of all applicable securities laws and the rules, policies and instruments of all regulatory or administrative bodies having jurisdiction over the Vendor (except where such non-compliance has not and would not reasonably be expected to have a Material Adverse Effect) and none of such filings contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (e) except as disclosed in Section 14.1, neither the Vendor nor Privateco has entered into any agreement that would entitle any person to any valid claim against the Purchaser for a broker's commission, finder's fee or any like payment in respect of any other matter contemplated by this Agreement;
- (f) the Vendor is the registered holder and beneficial owner of the Privateco Shares and the Privateco Shares are issued and outstanding as fully paid and non-assessable shares in the capital of Privateco;
- (g) Privateco is a valid and subsisting corporation duly incorporated under the laws of its jurisdiction of incorporation and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of Privateco enforceable against it in accordance with its terms except that:
 - (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

- (iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and
 - (iv) rights of indemnity and contribution hereunder may be limited under applicable law;
- (h) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflict with, result in a breach of or accelerate the performance required by any agreement to which Privateco is a party;
- (i) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, results in a breach of Privateco's constating documents;
- (j) the authorized share capital of Privateco consists of an unlimited number of common shares, of which the Privateco Shares are the only common shares issued and outstanding;
- (k) except for the consents and approvals disclosed in Schedule "B", no third party consents or approvals are required for the Vendor to transfer the Privateco Shares to the Purchaser;
- (l) the Privateco Shares are free and clear of all liens, claims, charges and Encumbrances and the Vendor has neither pledged nor hypothecated the Privateco Shares in whole or in part;
- (m) no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option to purchase or otherwise acquire the Privateco Shares or any interest in the Privateco Shares (other than as provided by this Agreement) and no person has any agreement, right or privilege capable of becoming such for the purchase, subscription, allotment or issue of any of the unissued securities of Privateco;
- (n) except as disclosed in Schedule "C", Privateco is the legal, beneficial and registered owner of a one hundred percent (100%) undivided interest in the Property free and clear of all Encumbrances;
- (o) to the best of the Vendor's knowledge, there are no aboriginal rights or interests that are currently asserted in respect of the Property;
- (p) except as disclosed in Schedule "C", the Property is in good standing and no proceedings have been instituted to invalidate or assert an adverse claim or challenge against or to the ownership of title to the Property, nor is there any basis therefor, and no other person is entitled to an agreement or option to acquire or purchase the Property or any portion thereof and no person has any royalty or other interest whatsoever in production from any part of the Property;
- (q) Privateco has unfettered legal access to the Property and no compensation is payable or required to be paid by Privateco in connection with such access and

there is no fact or condition which would result in the interference with or termination of such access;

- (r) all work carried out, or caused to be carried out, on the Property by the Vendor or Privateco has been carried out in all material respects in compliance with all applicable laws, including Environmental Laws, and neither the Vendor nor Privateco, nor to their knowledge any other person, has received any notice of any breach of any such laws;
- (s) the Vendor has not conducted any environmental audits, assessments, studies or reports relating to the Property, and, to the best of the Vendor's knowledge, the Vendor has no liabilities in regards to the Property under Environmental Laws. The Vendor is aware that the government of Newfoundland and Labrador has conducted environmental audits, assessment, studies and/or reports and has completed or is in the process of completing environmental and engineering remediation work within the area of the Buchans claims, as disclosed in Schedule "D". Except as disclosed in Schedule "D", the Vendor has no knowledge of any environmental liabilities associated with the Property, or of any environmental audits, evaluations, assessments or studies relating to the Property. To the best of the Vendor's knowledge, upon obtaining a mining lease and surface lease in respect of all or any part of the Property, Privateco will be required to assume all historical environmental liabilities within the area subject to the mining and surface leases, including, to the best of the Vendor's knowledge, the liabilities described in Schedule "D", as applicable;
- (t) no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option to purchase or otherwise acquire the Property or any interest in the Property (other than as provided in this Agreement or as disclosed in Schedule "C");
- (u) except as disclosed in Schedule "E", no person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase or acquisition from Privateco of any of the assets of Privateco;
- (v) Privateco has not entered into any agreements relating to the Property or any other material agreements, nor is it a Party to any such agreements, other than as set forth in Schedule "E";
- (w) the Underlying Agreements are in full force and effect, unamended as of the date hereof and as of the date hereof, no default exists on the part of the Vendor or Privateco or, to the best of the Vendor's knowledge, any other party to the Underlying Agreements;
- (x) the unaudited statement of financial position of Privateco as of December 31, 2011, a copy of which is provided in Schedule "F" hereto, has been prepared in accordance with IFRS and fairly presents, in all material respects, the financial condition of Privateco as of the date thereof;

- (y) except as disclosed in Schedule "G", the aggregate liabilities of Privateco do not exceed one hundred thousand dollars (\$100,000), other than those liabilities required to keep the Property in good standing;
- (z) Privateco is not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result in a Material Adverse Effect, and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by Privateco or the payment of any material tax, governmental charge, penalty, interest or fine against Privateco. There are no material actions, suits, proceedings, investigations or claims now pending or, to the Vendor's or Privateco's knowledge, threatened against Privateco which could result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority;
- (aa) Privateco is in possession of all material permits and licenses required to carry on its business as presently conducted. All such permits and licenses are validly issued, in full force and effect, have been complied with and there are no proceedings in progress, pending or, to the knowledge of Privateco, threatened which may result in the cancellation, revocation, suspension or modification of any such permit or license;
- (bb) except as disclosed in Schedule "D", to the best of the Vendor's knowledge, there are no Hazardous Substances in, or under or migrating from the Property at concentrations in excess of the applicable generic remediation standards set out in Environmental Laws;
- (cc) except as disclosed in Schedule "D", to the best of the Vendor's knowledge, no Hazardous Substances have been released on or under the Property;
- (dd) neither the Vendor nor Privateco has been provided with:
 - (i) any written demand, written notice, order, summons, notice of judgment or commencement of proceedings request for information or, to the knowledge of the Vendor or Privateco, pending or threatened claims or complaints with respect to the breach of or liability under any Environmental Laws applicable to Privateco or the Property, including any Environmental Laws respecting the use, storage, treatment, transportation, disposition (including disposal or arranging for disposal) discharge, remediation or corrective action of Hazardous Substances; or
 - (ii) any written demand or written notice with respect to liability, by contract (including real property leases) or operation of applicable laws, under Environmental Laws applicable to Privateco or the Property or any

subsidiary or any of their respective predecessor entities, divisions or any currently or formerly owned, leased or operated properties or assets of the foregoing, including liability with respect to the presence, release, migration, discharge remediation or corrective action of Hazardous Substances in, on, under or from any currently or formerly owned, leased or operated properties or assets of the foregoing;

- (ee) except as disclosed in Schedule "D" to the Vendor's knowledge, there are no environmental audits, evaluations and assessments relating to the Property;
- (ff) there is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of the Vendor or Privateco, threatened against Privateco before any court, regulatory or administrative agency or tribunal;
- (gg) there are no actions, suits or other legal proceedings currently pending, or to the knowledge of the Vendor or Privateco, threatened against Privateco;
- (hh) Privateco is not a Party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of any outstanding securities of Privateco; and
- (ii) the corporate records and minute books of Privateco have been maintained in accordance with all applicable statutory requirements and are complete and up-to-date in all material respects except for minutes relating to this Agreement.

2.2 The Purchaser represents and warrants to the Vendor that as of the date of this Agreement:

- (a) it is a valid and subsisting corporation continued under the laws of the Province of British Columbia and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms except that:
 - (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
 - (iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and

- (iv) rights of indemnity and contribution hereunder may be limited under applicable law;
- (b) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflicts with, results in a breach of or accelerates the performance required by any agreement to which it is a party;
- (c) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, results in a breach of the laws of any applicable jurisdiction or its constating documents;
- (d) except as disclosed in Section 14.1, the Purchaser has not entered into any agreement that would entitle any person to any valid claim against the Purchaser for a broker's commission, finder's fee or any like payment in respect of any other matter contemplated by this Agreement;
- (e) the audited consolidated financial statements of the Purchaser for the year ended December 31, 2010, together with the auditors' report thereon and the notes thereto, and the unaudited condensed interim financial statements of the Purchaser for the nine (9) months ended September 30, 2011 and the notes thereto, in each case as filed publicly on SEDAR, have been prepared in accordance with Canadian generally accepted accounting principles (applied on a basis consistent with prior periods) and IFRS, respectively, and fairly present, in all material respects, the financial condition of the Purchaser as of the dates thereof;
- (f) the Purchaser does not have any material liability or obligation, whether accrued, absolute, contingent or otherwise, including any liability or expenditure obligation with respect to the Purchaser's Properties, that is not reflected in its latest publicly-disclosed condensed financial statements;
- (g) the Purchaser has cash assets net of any liabilities of at least one hundred thousand dollars (\$100,000);
- (h) the Purchaser has filed in a timely manner all necessary tax returns and notices and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and the Purchaser is not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result in a Material Adverse Effect, and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by the Purchaser or the payment of any material tax, governmental charge, penalty, interest or fine against the Purchaser. There are no material actions, suits, proceedings, investigations or claims now pending or, to the Purchaser's knowledge, threatened against the Purchaser which could result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under

discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority;

- (i) the operations of the Purchaser and each of its subsidiaries have been conducted, in all material respects, in compliance with all laws of each jurisdiction in which the Purchaser or its subsidiaries carry on its business and none of the Purchaser or any of its subsidiaries has received any notice of any violation of any such laws, except for any such non-compliance or violations that would not reasonably be expected to cause a Material Adverse Effect;
- (j) to the knowledge of the Purchaser, all operations of the Purchaser and its subsidiaries have been and are in compliance in all material respects with all Environmental Laws and no conditions exist at, on or under any property now or previously owned, operated, leased or contracted, including without limitation, the Purchaser's Properties, to perform work by the Purchaser or its subsidiaries which, with the giving of notice, would give rise to material liability under Environmental Laws;
- (k) the Purchaser and its subsidiaries are in possession of all permits and licenses which are required by applicable laws for the operation of their respective businesses, in particular with respect to the mineral properties in which they have any right, title or interest, where the failure to possess such licenses or permits would have a Material Adverse Effect on the Purchaser, and its subsidiaries, on a consolidated basis. All such permits and licenses are validly issued, in full force and effect, have been complied with and there are no proceedings in progress, pending or, to the knowledge of the Purchaser, threatened, which may result in the cancellation, revocation, suspension or modification of any such permit or license;
- (l) to the knowledge of the Purchaser, there are no Hazardous Substances in, or under or migrating from any real property leased, operated or owned by the Purchaser or any of its subsidiaries, or on which the Purchaser or any of its subsidiaries contracted to perform work, in each case including, without limitation, the Purchaser's Properties, at concentrations in excess of the applicable generic remediation standards set out in Environmental Laws;
- (m) to the knowledge of the Purchaser, no Hazardous Substances have been released on or under any real property that is currently or was formerly leased, operated or owned by the Purchaser or any of its subsidiaries, or on which the Purchaser or any of its subsidiaries contract or formerly contracted to perform work, in each case including, without limitation, the Purchaser's Properties;
- (n) neither the Purchaser nor any subsidiary has been provided with:
 - (i) any written demand, written notice, order, summons, notice of judgment or commencement of proceedings request for information or, to the knowledge of the Purchaser, pending or threatened claims or complaints

- with respect to the breach of or liability under any Environmental Laws applicable to the Purchaser or any subsidiary, including any Environmental Laws respecting the use, storage, treatment, transportation, disposition (including disposal or arranging for disposal) discharge, remediation or corrective action of Hazardous Substances; or
- (ii) written demand or written notice with respect to liability, by contract (including real property leases) or operation of applicable laws, under Environmental Laws applicable to the Purchaser or any subsidiary or any of their respective predecessor entities, divisions or any currently or formerly owned, leased or operated properties or assets of the foregoing, including liability with respect to the presence, release, migration, discharge remediation or corrective action of Hazardous Substances in, on, under or from any currently or formerly owned, leased or operated properties or assets of the foregoing;
 - (o) to the Purchaser's knowledge, there are no environmental audits, evaluations and assessments relating to any real property currently or formerly owned, leased or operated by the Purchaser or its subsidiaries, including without limitation, the Purchaser's Properties;
 - (p) the Purchaser is not subject to any cease trade or other order of any applicable stock exchange or securities regulatory authority and, to the knowledge of the Purchaser, no investigation or other proceedings involving the Purchaser which may operate to prevent or restrict trading of any securities of the Purchaser are currently in progress or pending before any applicable stock exchange or securities regulatory authority;
 - (q) the authorized share capital of the Purchaser consists of an unlimited number of common shares without par value and as of the date hereof, there are 23,763,926 common shares of the Purchaser outstanding and no person has any agreement, right or privilege capable of becoming such for the purchase, subscription, allotment or issue of any of the unissued securities of the Purchaser other than outstanding options and warrants to acquire an aggregate of 21,111,906 common shares of the Purchaser, outstanding brokers warrants to acquire 1,043,909 common shares of the Purchaser and obligations of the Purchaser to issue 32,500 common shares pursuant to certain property option agreements. Following the Consolidation, the Purchaser will have 11,881,963 common shares, 9,953,453 warrants, 602,500 options and 521,954 broker warrants outstanding, subject to any expiry or exercise of warrants or options from the date hereof to the date of such Consolidation, and obligations to issue 16,250 common shares of the Purchaser pursuant to certain property option agreements;
 - (r) there is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of the Purchaser, threatened against the Purchaser before any court, regulatory or administrative agency or tribunal;

- (s) there are no actions, suits or other legal proceedings currently pending, or to the knowledge of the Purchaser, threatened against the Purchaser;
- (t) the Purchaser is current in the filing of all public disclosure documents required to be filed by the Purchaser under applicable securities laws and stock exchange rules, there are no filings that have been made on a confidential basis, all of such filings comply with the requirements of all applicable securities laws and the rules, policies and instruments of all regulatory or administrative bodies having jurisdiction over the Purchaser (except where such non-compliance has not and would not reasonably be expected to have a Material Adverse Effect) and none of such filings contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (u) the Purchaser is not a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of any outstanding securities of the Purchaser;
- (v) the corporate records and minute books of the Purchaser and each of its subsidiaries have been maintained in accordance with all applicable statutory requirements and are complete and up-to-date in all material respects except for minutes relating to this Agreement;
- (w) the common shares of the Purchaser are listed for trading on the TSXV;
- (x) on completion of the transactions contemplated by this Agreement, the Payment Shares and Earn-In Warrants shall be validly issued to the Vendor with good title thereto, free and clear of all charges, liens, pledges or other Encumbrances and rights of others and the Payment Shares, shares issuable upon exercise of Earn-in Warrants and the shares issued and issuable to NCP pursuant to the Success Fee will be issued as fully-paid and non-assessable shares of the Purchaser and will be listed for trading on the TSXV;
- (y) the Purchaser is not a non-Canadian for the purposes of the *Investment Canada Act* or within the meaning of such term in the ITA; and
- (z) the Purchaser will, immediately following Closing, cause Privateco to pay the Upfront Option Payment to the Vendor by certified cheque or wire transfer.

2.3 The representations, warranties and covenants herein set out are conditions on which the Parties have relied in entering into this Agreement and each of the Vendor and the Purchaser will indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any material breach of any representation, warranty, covenant, agreement or condition made by it and contained in this Agreement. The representations and warranties set out herein shall survive for a period of two years following the Execution Date (the "**Survival Period**").

2.4 Notwithstanding any other provisions of this Agreement, the Vendor shall be responsible for, and shall indemnify and hold the Purchaser harmless from, any claim or liability resulting from breaches of Environmental Laws in respect of the Property which are proven to have been a direct result of the Vendor's or Privateco's actions or inactions prior to the Closing Date.

3. ASSOCIATION OF PARTIES

3.1 Nothing contained in this Agreement will, except to the extent specifically authorized hereunder, be deemed to constitute any Party as a partner, an agent or other legal representative of the other Parties. It is intended that this Agreement will not create the relationship of a partnership among the Parties and that no act done by any Party pursuant to the provisions hereof will operate to create such a relationship.

3.2 Except as specifically provided hereunder:

- (a) each Party will be at liberty to engage, for its own account and without duty to account to the other Party, in any other business or activity outside the development of the Property, including the ownership and operation of any other mining permits, licenses, claims and leases wherever located;
- (b) no Party will be under any fiduciary or other duty or obligation to the other Party which will prevent or impede such Party from participating in, or enjoying the benefits of, competing endeavours of a nature similar to the business or activity undertaken by the Parties hereunder outside of the Property; and
- (c) the legal doctrines of "corporate opportunity" or "business opportunity" sometimes applied to persons occupying a relationship similar to that of the Parties will not apply outside of the Property with respect to participation by any Party in any business activity or endeavour.

4. THE OPTION

4.1 The Vendor hereby grants to the Purchaser the exclusive right and option to acquire the Privateco Shares, free and clear of all Encumbrances, in accordance with the terms of this Agreement (the "**Option**"). In connection with the grant of the Option, the Purchaser and its representatives shall have the right to enter onto and occupy the Property in order to conduct any such activity as the Purchaser, together with the Project Team (as defined herein), sees fit to advance the Property.

4.2 In order for the Purchaser to exercise the Option and acquire a 100% interest in Privateco, it must:

- (a) by March 28, 2012 (the "**Seed Financing Deadline**"), complete a financing by way of subscription receipts for common shares and units to raise gross proceeds of not less than \$12.5 million and not more than \$15.0 million (the "**Seed Financing**"), net of the cash held by the Purchaser prior to the Seed Financing, provided that the Seed Financing Deadline may be extended with the consent of

the Vendor, such consent not to be unreasonably withheld. The Vendor agrees that it will be unreasonable to withhold consent to the extension of the Seed Financing Deadline in the event that the Purchaser has used its best efforts to market the Seed Financing and has filled an order book that demonstrates there is a high probability that the Seed Financing will be completed in a reasonable amount of time after the Seed Financing Deadline but no later than May 31, 2012. Upon completion of the Seed Financing, the Purchaser and the Vendor shall as soon as practicable complete the necessary conditions to release the Seed Financing funds from any subscription receipt escrow. The Seed Financing is subject to the approval of the TSXV or any other stock exchange upon which the securities of the Purchaser are listed or to which an application for listing has been made;

- (b) on completion of the obligation in Section 4.2(a), above, and the conditions to Closing set out in Article 8 being satisfied or waived, the Purchaser will immediately:
- (i) subscribe for 950,000 common shares of Privateco for an aggregate purchase price of \$9.5 million (the "**Purchase Price**") in immediately available funds, of which \$2 million is to be used by Privateco to pay its indebtedness to the Vendor pursuant to a promissory note issued by Privateco dated November 1, 2011 (the "**Upfront Option Payment**") and \$7.5 million (the "**Exploration Funds**") is to be spent on Expenditure Obligations on the Property, as more particularly set forth in Section 11.1. The Vendor and Privateco acknowledge that the Vendor has no right or interest in the Exploration Funds except as contemplated in Section 11.1;
 - (ii) arrange for a number of common shares of the Purchaser (the "**Payment Shares**") to be issued from treasury and delivered to the Vendor, such that the number of Payment Shares shall be equal to 50.0% of the issued and outstanding common shares of the Purchaser on a non-diluted basis (excluding those common shares of the Purchaser issued in relation to the portion of the Seed Financing proceeds in excess of \$12.5 million, if any) calculated immediately upon closing of the Seed Financing; and
 - (iii) issue to the Vendor the equivalent of 0.20 share purchase warrants (the "**Earn-in Warrants**") for every Payment Share issued. Each whole transferable Earn-in Warrant shall be exercisable into one common share of the Purchaser at a price that is a 33% discount to the initial Seed Financing issue price for a period of three (3) years from the date of issue; provided, however, that if at any time after four (4) months and one (1) day from the date of issue of the Earn-in Warrants the per share volume weighted average trading price of the Purchaser's shares is greater than three times the Earn-in Warrant exercise price for a period of twenty (20) consecutive trading days, the Purchaser may give notice to the holders of the Earn-in Warrants within thirty (30) days of such

occurrence, and the Earn-in Warrants will expire thirty-five (35) calendar days from the date of such notice. In the event that the Vendor's ownership interest in the Purchaser on Closing would be less than 45.0% of the issued and outstanding common shares of the Purchaser on a fully-diluted basis (excluding those common shares and warrants of the Purchaser issued in relation to the portion of the Seed Financing proceeds in excess of \$12.5 million, if any, as well as any broker warrants issued in the Seed Financing) calculated as of Closing, the Purchaser shall issue to the Vendor additional Earn-in Warrants in an amount such that the Vendor's ownership interest in the Purchaser shall be 45.0% of the issued and outstanding common shares of the Purchaser on a fully-diluted basis (excluding those common shares and warrants of the Purchaser issued in relation to the portion of the Seed Financing proceeds in excess of \$12.5 million, if any, as well as any broker warrants issued in the Seed Financing) calculated as of Closing. The Earn-in Warrants shall provide for the possibility of "cashless exercise" by the holder. If the holder elects "cashless exercise", the Purchaser will issue to the holder a number of shares based on the difference between the volume weighted average closing price of the Purchaser's shares on the TSXV for the ten-day trading period prior to the date of election and the exercise price of the warrants.

The payments contemplated in Section 4.2(b) (ii) and (iii), above, shall be allocated to the Privateco Shares as set forth in Schedule "H".

- 4.3 Notwithstanding anything else contained in this Agreement, upon the Purchaser satisfying the obligations in Sections 4.2(a) and (b), above ("**Closing**"), the Purchaser will have been deemed as having exercised the Option and as having acquired a one hundred percent (100%) interest in Privateco.

5. RELATED TRANSACTIONS

- 5.1 It is understood by the Parties that the Purchaser's intention is to consolidate the ownership in the Purchaser of certain properties that are proximate in location to the Property, including the Bobby's Pond property held by Mountain Lake Resources Inc. (the "**Bobby's Pond Property**") and/or the South Tally Pond property held by Paragon Minerals Corporation (collectively, the "**Related Properties**"). The Parties agree to cooperate in the negotiation of the acquisition of the Related Properties for closing prior to the Expiry Date, including modifications to this Agreement prior to the Closing Date, provided that in any event the Upfront Option Payment to the Vendor and the Vendor's ownership interest in the Purchaser, as set out in Sections 4.1(b)(ii) and (iii), shall be unaffected.

6. PRE-EMPTIVE RIGHT

- 6.1 From and after the Closing, the Vendor will have the option and the right (and the Purchaser hereby grants such option and right to the Vendor), exercisable in the Vendor's

sole discretion, at any time that the Vendor beneficially owns at least 10% of the issued and outstanding shares of the Purchaser (on a non-diluted basis), to participate in any Equity Financing on a pro rata basis as determined by reference to the Vendor's pro forma deemed ownership of shares in the capital of the Purchaser (on a fully diluted basis), at the same price and the same terms and conditions as offered to other investors in such Equity Financing, subject to Sections 6.2 and 6.3 below.

- 6.2 The Purchaser shall provide the Vendor with written notice of any proposed Equity Financing promptly upon entering into a letter of intent, term sheet or similar agreement with respect to such Equity Financing, and in any event not less than ten (10) Business Days prior to the closing of such Equity Financing. Within five (5) Business Days after receiving such written notice from the Purchaser, the Vendor shall send written notice to the Purchaser confirming whether the Vendor will be exercising the pre-emptive right described in Section 6.1, which notice, if in the affirmative, shall include the number of shares of the Purchaser that the Vendor intends to acquire. If the Vendor does not provide written notice by the end of such five (5) Business Day period, then the Vendor shall be deemed to have waived its right to exercise the pre-emptive right to acquire shares of the Purchaser with respect to such Equity Financing but without prejudice to the Vendor's rights in any subsequent Equity Financing.
- 6.3 In the event that the Vendor elects to exercise the pre-emptive right set forth in Section 6.1, the Vendor covenants to deliver the payment for the shares set out in the Vendor's acceptance notice, together with any documents required to be executed by the Vendor in connection with the acquisition of such shares by the Vendor, within two (2) Business Days of the closing date of the Equity Financing.
- 6.4 The right granted in Section 6.1 shall terminate on the earlier of: (a) the date the Parties mutually agree to terminate; and (b) the point in time when the Vendor's beneficial ownership of the issued and outstanding shares of the Purchaser (on a partially diluted basis, assuming exercise of all warrants and options of the Purchaser held by the Vendor) decreases to less than 10%.

7. SALE RIGHTS

- 7.1 Subject to Section 7.7, in the event that the Vendor desires to sell any common shares of the Purchaser held by the Vendor ("**Shares**") at any time, the Vendor shall first offer the Purchaser the right to sell such Shares to a purchaser or purchasers identified by the Purchaser.
- 7.2 Notice of the sale (the "**Notice**") shall be sent to the Purchaser, shall set out the number of Shares that the Vendor desires to sell (the "**Sale Shares**"), and shall set out the terms and conditions, including the cash price per Sale Share that the Vendor is willing to sell the Sale Shares for (the "**Sale Price**").
- 7.3 Upon the Notice being given, the Purchaser shall have the right to identify a purchaser or purchaser for all or a portion of the Sale Shares during the Offer Period (as defined below) at a price equal to or greater than the Sale Price.

- 7.4 Within ten (10) days of having been given the Notice (the “**Offer Period**”) the Purchaser may give to the Vendor a notice in writing (an “**Acceptance Notice**”) identifying the purchaser or purchasers for the Sale Shares and the number of Sale Shares that they have agreed to purchase. Upon receipt of the Acceptance Notice within the Offer Period, the Vendor shall sell the Sale Shares to the purchaser or purchasers identified in the Acceptance Notice on the same terms and conditions set out in the Notice.
- 7.5 If the Purchaser does not give an Acceptance Notice in accordance with the provisions of Section 7.4, the Purchaser will be deemed to have waived its rights under Section 7.1 and the Vendor may sell the Sale Shares to any Person or Persons within forty-five (45) days after the expiry of the Offer Period, at such price or prices as the Vendor may negotiate with such Person or Persons, provided the price is at or above the Sale Price.
- 7.6 If the Sale Shares are not sold within the forty-five (45) day period, the rights of the Purchaser pursuant to Section 7.1 shall again take effect with respect to any sale of Shares of the Vendor, and so on from time to time.
- 7.7 For the removal of doubt, the rights of the Purchaser in Section 7.1 shall not apply to a pro-rata distribution of all or a portion of the Shares by the Vendor to its shareholders at any time.

8. CONDITIONS TO CLOSING

- 8.1 The Vendor shall not be obligated to close the transactions contemplated by this Agreement unless, at or before the Closing, each of the conditions listed below in this Section 8.1 has been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendor:
- (a) the representations and warranties of the Purchaser in this Agreement shall be true and correct in all material respects at the Closing;
 - (b) agreements are reached on acceptable terms to the Vendor, acting reasonably, for the acquisition of the Related Properties;
 - (c) the Seed Financing shall have been completed;
 - (d) during the Interim Period there shall not have been any event or change that has had or would reasonably be likely to have a Material Adverse Effect on the Purchaser;
 - (e) the Purchaser shall have completed the Consolidation;
 - (f) all shareholder approvals and all regulatory approvals and consents to the transactions contemplated by this Agreement shall have been obtained and be in full force and effect, including the approval of the TSXV or any other stock exchange that the securities of the Purchaser to be issued to the Vendor and NCP hereunder are listed on or to which an application for listing has been made;

- (g) the Purchaser shall have made the deliveries and payments on Closing specified in Section 9.3; and
 - (h) the Purchaser will have taken such necessary steps to appoint the nominees of the Vendor to the Board of the Purchaser immediately upon Closing in accordance with Section 13.1 of this Agreement.
- 8.2 If any condition in Section 8.1 has not been fulfilled at or before the Closing or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Vendor to comply with its obligations under this Agreement, then the Vendor in its sole discretion may, without limiting any rights or remedies available to the Vendor at law or in equity, either:
- (a) terminate this Agreement by notice to the Purchaser; or
 - (b) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfillment of any other condition.
- 8.3 The Purchaser shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing, each of the conditions listed below in this Section 8.3 has been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser.
- (a) the representations and warranties of the Vendor in this Agreement shall be true and correct in all material respects at the Closing;
 - (b) all regulatory approvals and consents to the transactions contemplated by this Agreement shall have been obtained and be in full force and effect, including the approval of the TSXV or any other stock exchange that the securities of the Purchaser are listed on or to which an application for listing has been made;
 - (c) during the Interim Period there shall not have been any event or change that has had or would be reasonably likely to have a Material Adverse Effect on Privateco;
 - (d) the Seed Financing shall have been completed;
 - (e) agreements are reached on acceptable terms to the Purchaser (acting reasonably) for the acquisition of the Related Properties; and
 - (f) the Vendor shall have made deliveries on closing specified in Section 9.2.
- 8.4 If any condition in Section 8.3 shall not have been fulfilled at or before the Closing or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Purchaser to comply with its obligations under this Agreement, then the Purchaser in its sole discretion may, without limiting any rights or remedies available to the Purchaser at law or in equity, either:
- (a) terminate this Agreement by notice to the Vendor; or

- (b) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfillment of any other condition.

9. CLOSING

- 9.1 The Closing shall take place at 10:00 a.m. (Vancouver time) on the day that is five (5) Business Days following the satisfaction by the Purchaser of the condition for the exercise of the Option set forth in Section 4.2(a), the receipt of all requisite shareholder and regulatory approvals, and the completion of the Consolidation, or at such other time and date as may be agreed (the "**Closing Date**"). The Closing Date shall occur on or before the Expiry Date.
- 9.2 At Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following documents:
 - (a) a certificate of a senior officer of the Vendor (without personal liability) dated as of the Closing Date certifying that representations and warranties of the Vendor contained herein are true and correct in all material respects as of the date made and, to the extent applicable (but only for the balance of the Survival Period) required to be performed by the Vendor prior to Closing, as of the Closing Date and that all covenants contained in the Agreement have been performed;
 - (b) certificates representing the Privateco Shares, transfers of the Privateco Shares, the minute books and other records of Privateco, resignations and releases of directors and officers of Privateco designated by the Purchaser and evidence of corporate proceedings having been taken;
 - (c) a form of document satisfactory to the Purchaser and duly executed by the Vendor for the transfer of all or a portion of the Privateco Shares to the Purchaser, as more particularly set forth in Schedule "H", equal in value to the Payment Shares and Earn-in Warrants pursuant to Section 85 or 85.1 of the *Income Tax Act* (Canada), as amended (the "**ITA**"), and, any elections or other documents as counsel to the Vendor advises in order to comply with the ITA and ensure that the transfer of the Privateco Shares, as more particularly set forth in Schedule "H", is on the most tax effective basis as possible, with the elected agreed amount in any such elections being determined by the Vendor within any prescribed limits;
 - (d) a certificate of a senior officer of the Vendor confirming payment of the Success Fee by the Vendor to NCP; and
 - (e) an opinion of the Vendor's legal counsel addressed to the Purchaser and in form and substance satisfactory to the Purchaser, acting reasonably, with respect to: (i) the incorporation and standing of the Vendor and Privateco, (ii) all corporate action having been taken by the Vendor to execute and deliver the Agreement, and such execution and delivery not resulting in any violation of any applicable laws or the Vendor's or Privateco's constating documents, and (iii) the transfer of the Privateco Shares.

- 9.3 At Closing, the Purchaser shall deliver or cause to be delivered to the Vendor and, in the case of Section 9.3(e) to Privateco, the following documents and payments:
- (a) a certificate of a senior officer of the Purchaser (without personal liability) dated as of the Closing Date certifying that the representations and warranties of the Purchaser contained herein are true and correct in all material respects as of the date and, to the extent applicable, as of the Closing Date and that all covenants contained in this Agreement have been performed;
 - (b) if the transfer of all or a portion of the Privateco Shares is being made pursuant to Section 85 or 85.1 of the ITA, such elections or other documentation as counsel to the Vendor advises in order to comply with the ITA and ensure that the transfer of that portion of the Privateco Shares equal in value to the Payment Shares and the Earn-in Warrants, as more particularly set forth in Schedule "H", on the most tax effective basis as possible, with the elected agreed amount in any such elections being determined by the Vendor within any prescribed limits;
 - (c) certificates representing the Payment Shares, the number of which shall be as determined in accordance with Section 4.2(b)(ii);
 - (d) certificates representing the Earn-In Warrants, the number of which shall be as determined in accordance with Section 4.2(b)(iii);
 - (e) an executed subscription for 950,000 shares of Privateco together with confirmation of the payment of the Purchase Price to Privateco, by certified cheque or wire transfer;
 - (f) a certificate of a senior officer of the Purchaser confirming satisfaction of its Success Fee obligations to NCP; and
 - (g) an opinion of the Purchaser's legal counsel addressed to the Vendor, in form and substance satisfactory to the Vendor, acting reasonably, with respect to: (i) the incorporation and standing of the Purchaser, (ii) all corporate action having been taken by the Purchaser to execute and deliver the Agreement, and such execution and delivery and the issuance of the Payment Shares and Earn-in Warrants not resulting in any violation of any applicable laws or the Purchaser's constating documents, (iii) enforceability of the Agreement against the Purchaser, (iv) the issued and outstanding share capital of the Purchaser, (v) the conditional listing on the TSXV of the Payment Shares and the common shares of the Purchaser issuable upon exercise of the Earn-in Warrants, (vi) the reporting issuer status of the Purchaser, (vii) the form of certificates representing the Payment Shares and the Earn-in Warrants being in conformity with the requirements of applicable law and the TSXV and having been approved by the Purchaser's board of directors, and (viii) the issuance of the Payment Shares and the creation of the Earn-in Warrants and the allotment of common shares of the Purchaser for issuance upon exercise of the Earn-in Warrants.

9.4 The Vendor hereby acknowledges that the issuance of the Payment Shares and Earn-In Warrants is subject to applicable securities laws and the rules and policies of the stock exchange on which such Purchaser's common shares are listed. In particular, the Payment Shares and Earn-In Warrants will have a legend indicating that the Payment Shares and Earn-In Warrants may not be transferred or sold for a period of four (4) months and one (1) day from Closing, except pursuant to an exemption from applicable prospectus requirements. The Vendor also acknowledges that the Payment Shares and Earn-In Warrants may be subject to escrow requirements. The Vendor agrees to comply with any customary escrow or resale restrictions that may be imposed by the TSXV, or any other stock exchange that the securities of the Purchaser are listed on or to which an application for listing has been made, or any applicable securities laws with respect to any Purchaser securities that may be held by the Vendor.

10. ACTIONS DURING INTERIM PERIOD

10.1 During the Interim Period, the Vendor and their respective agents will not, nor will it permit any of its officers, employees or agents (including without limitation, investment bankers, attorneys and accountants) to directly or indirectly solicit, discuss, encourage or accept any offer for the purchase of Privateco or Privateco related assets of the Vendor, whether as a primary or back-up offer, or take any other action with the intention or reasonably foreseeable effect of leading to any commitment or agreement to sell Privateco or any related assets of the Vendor.

10.2 If the Vendor receives any proposal from any person during the Interim Period for the purchase of the Privateco Shares or the Property, it shall immediately notify the Purchaser of such proposal or request and the terms thereof. The Vendor shall not, and shall ensure that its representatives and Privateco do not, during the Interim Period, solicit or pursue any such proposal or provide any information concerning Privateco or the Property to any person other than the Purchaser or its representatives.

10.3 During the Interim Period and up to and including the Closing Date, the Vendor shall provide the Purchaser with all information and documents relating to the Property reasonably required in order to allow the Purchaser to advance the Property.

10.4 During the Interim Period, the Parties will conduct their respective operations according to their ordinary and usual course of business consistent with past practices and will not enter into any material transactions or incur any material liabilities without first obtaining the consent of the other Parties hereto, which consent will not be unreasonably withheld or delayed. Without limiting the generality of the foregoing, during the Interim Period the Vendor and Privateco shall not:

- (a) dispose of, grant any interest in or encumber any of the Property;
- (b) enter into any contract or any other transaction that could materially affect the Property, except with the prior written consent of the Purchaser;

- (c) terminate, cancel, modify or amend in any respect any contract related to the Property or take or fail to take any action that would entitle any Party to a contract related to the Property to terminate, modify, cancel or amend such contract; or
- (d) agree, commit or enter into any understanding to take any action set out in paragraphs (a), (b) or (c) of this Section 10.4.

11. WORK COMMITMENTS

- 11.1 It is a condition of Closing that the Purchaser will have paid the Exploration Funds into Privateco's bank account to be used for exploration expenditures. Following the Closing Date, and within a period of twenty-four (24) months from the date of this Agreement, the Purchaser shall, or shall cause Privateco to, incur cumulative expenditures of at least \$7.5 million in connection with the development of the Property and the Bobby's Pond Property (the "**Expenditure Obligations**"). In the event that the Purchaser (or Privateco) fails to incur such cumulative expenditures of at least \$7.5 million in connection with the development of the Property and the Bobby's Pond Property, the Purchaser will cause Privateco to pay in cash to the Vendor an amount equal to the difference between \$7.5 million and the actual expenditures incurred by the Purchaser or Privateco during such period. The Expenditure Obligations will be at the discretion of the Board of Directors of the Purchaser, but the Purchaser will prioritize the advancement of the Property and the Bobby's Pond Property and will be generally in accordance with Schedule "I" attached.
- 11.2 Provided that the Purchaser has used its best efforts, such twenty-four (24) month period can be extended by written agreement of the Parties up to an additional six (6) months if there are delays in incurring the Expenditure Obligations that are beyond the control of the Purchaser.
- 11.3 The Purchaser and the Vendor agree that it is their mutual intention to complete a Feasibility Study on the Property and advance the Property into production.
- 11.4 The Purchaser agrees that it will use its commercially reasonable efforts to option, joint venture or otherwise dispose of its current mineral properties located in British Columbia, as more particularly described in Schedule "J", as soon as possible after Closing.

12. PROJECT TEAM

- 12.1 Following the Closing Date, the Vendor's project and technical team identified in Schedule "K" ("**Project Team**") shall provide project management and consulting services (the "**Consulting Services**") to Privateco for a period of six (6) months from the Closing Date (the "**Initial Consulting Period**") on a free of charge basis. Following the completion of the Initial Consulting Period, the Purchaser may engage the Project Team to provide Consulting Services to Privateco at prevailing market rates until such time as the Expenditure Obligations contemplated in Section 11.1 have been completed or otherwise satisfied, subject to the availability of the Project Team, such availability to be determined at the sole discretion of the Vendor and the Project Team.

- 12.2 The Project Team shall be eligible to participate in the Purchaser's incentive share option plan.
- 12.3 Subject to Section 12.1 hereof, the Vendor and the Purchaser acknowledge that their mutual intention is to develop, within the Initial Consulting Period, a management and technical team for Privateco that is independent of the Vendor and has sufficient experience and expertise to advance the Property into production, and the Vendor and the Purchaser agree to act reasonably in carrying out this mutual intention.

13. BOARD REPRESENTATION AND SUPPORT

13.1 The Purchaser will arrange for the Vendor to have the right to nominate qualified individuals, who are acceptable to the Purchaser acting reasonably, to serve on the Board of Directors of the Purchaser as follows:

- (a) upon Closing, nominees representing fifty percent (50%) of the number of directors; and
- (b) after the Closing,
 - (i) while the Vendor holds common shares in the Purchaser which represents, in the aggregate, forty percent (40%) or more of the common shares of the Purchaser issued and outstanding on a non-diluted basis, nominees representing fifty percent (50%) of the number of directors;
 - (ii) while the Vendor holds common shares in the Purchaser which represents, in the aggregate, twenty percent (20%) or more of the common shares of the Purchaser issued and outstanding on a non-diluted basis, at least 2 nominees; and
 - (iii) while the Vendor holds common shares in the Purchaser which represents, in the aggregate, ten (10%) or more of the common shares of the Purchaser issued and outstanding on a non-diluted basis, at least one nominee,

and the Purchaser will arrange for the management of the Purchaser to use commercially reasonable efforts to cause such nominee(s) to be elected to the Board of Directors of the Purchaser as soon as practicable after such nomination is received by the Purchaser. The Purchaser and the Vendor shall mutually agree, acting reasonably, on the person who will be Chairman of the Board of Directors of the Purchaser.

- 13.2 The Vendor's nominees to the Board of Directors shall be eligible to participate in the Purchaser's incentive stock option plan.
- 13.3 In the event that this Agreement is terminated in accordance with Section 18.1, the Vendor shall forthwith cause its nominees to resign from the Board of Directors of the Purchaser.

14. SUCCESS FEE

- 14.1 It is understood and agreed that NCP Northland Capital Partners Inc. ("NCP"), or its assignee, shall be entitled to a success fee (the "**Success Fee**"), payable on Closing, which will be paid by the Vendor to NCP in cash as to five percent (5%) of the amount of the Upfront Option Payment (i.e. \$ 100,000) and by the Purchaser to NCP as to an amount of the Purchaser's common shares equivalent to five percent (5%) of the Payment Shares issued by the Purchaser to the Vendor upon Closing and an amount of Earn-in Warrants equal to five percent (5%) of the Earn-in Warrants issued by the Purchaser to the Vendor upon Closing. Such Payment Shares and Earn-in Warrants issued to NCP by the Purchaser shall be on the same terms as those issued to the Vendor by the Purchaser, and shall be subject to applicable legends and hold period requirements.
- 14.2 The Purchaser and the Vendor agree that NCP shall be entitled to a success fee payable by the Purchaser on substantially the same terms to the Success Fee in the event that an acquisition of the Related Properties is completed with Paragon Minerals Corporation and/or Mountain Lake Resources Inc.
- 14.3 The Purchaser and the Vendor agree that in the event that the TSXV does not approve the payment of the Success Fee as set out in Section 14.1, the Parties will amend the structure of the Success Fee in such a manner as to be acceptable to the TSXV while preserving the economic intent of the Success Fee as set out in Section 14.1, provided that such fee shall be paid in securities of the Purchaser.

15. ADDITIONAL COVENANTS

- 15.1 The Purchaser shall:
- (a) use commercially reasonable efforts to satisfy all of the conditions precedent to the completion of the transactions contemplated by this Agreement and will use commercially reasonable efforts thereof to apply for and obtain, and will cooperate with the Vendor in applying for an obtaining, the consents, orders and approvals necessary for the Purchaser or the Vendor, respectively, to complete the transactions contemplated by this Agreement; and
 - (b) without limiting the generality of the foregoing, make application to the TSXV to list the Payment Shares and the common shares underlying the Earn-In Warrants and the common shares issued or issuable to NCP under the Success Fee in Section 14.1.
- 15.2 The Vendor and Privateco shall use commercially reasonable efforts to satisfy all of the conditions precedent to the completion of the transactions contemplated by this Agreement and will use commercially reasonable efforts thereof to apply for and obtain, and will cooperate with the Purchaser in applying for and obtaining, the consents, orders and approvals necessary for the Purchaser, Privateco or the Vendor, respectively, to complete the transactions contemplated by this Agreement.

- 15.3 The Purchaser agrees to convene and conduct a meeting of the shareholders of the Purchaser (the "**Purchaser's Meeting**") in accordance with the Purchaser's articles of incorporation, by-laws and applicable law as soon as reasonably practicable, and in any event on or before March 14, 2012.
- 15.4 The Vendor agrees to convene and conduct a meeting of the shareholders of the Vendor (the "**Vendor's Meeting**") in accordance with the Vendor's articles of incorporation, by-laws and applicable law as soon as reasonably practicable, and in any event on or before March 14, 2012.
- 15.5 The Purchaser and the Vendor agree to use their commercially reasonable efforts to schedule the Purchaser's Meeting and the Vendor's Meeting on the same day.
- 15.6 As promptly as reasonably practicable following the execution of this Agreement with a targeted date on or before February 13, 2012, and in any event prior to the close of business on February 17, 2012, the Vendor and the Purchaser shall prepare (i) a joint management information circular (the "**Joint Circular**") together with any other documents required by applicable laws, (ii) file the Joint Circular in all jurisdictions where the same is required to be filed, and (iii) mail the Joint Circular as required under applicable laws. On the mailing thereof, the Joint Circular shall comply in all material respects with all applicable laws and shall contain sufficient detail to permit the Vendor's shareholders and the Purchaser's shareholders, as applicable, to form a reason judgment concerning the matters to be placed before them at the Purchaser's Meeting and the Vendor's Meeting, as applicable.

16. SHARING OF AND CONFIDENTIAL NATURE OF INFORMATION

- 16.1 No Party will make any public statement or issue any press release concerning the transactions contemplated herein without the consent of the other Parties which consent shall not be unreasonably withheld. The Party making such disclosure will consult with the other Parties prior to making any statement or press release and the Parties will use all reasonable efforts, acting expeditiously and in good faith, to agree upon a text for such statement or release which is satisfactory to each of them within two business days. If the Parties fail to agree upon such text, the Party making the disclosure will make only such public statement or release as its counsel advises in writing is legally required to be made or is otherwise reasonable in the circumstances.
- 16.2 The Parties further agree that this Agreement will not be provided to any third party or used other than for the activities contemplated hereunder except as required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction (in which case the Party being compelled to disclose such information shall to the extent practical give the other Party an opportunity to review and provide reasonable comments on the disclosure), or with the written consent of the other Party, such consent not to be unreasonably withheld.
- 16.3 Consent to disclosure of information pursuant to Section 16 will not be unreasonably withheld where a Party wishes to disclose any such information to a third party for the

purpose of arranging financing, entering into a corporate transaction or for the purpose of selling its rights as contemplated in this Agreement, provided that such third party first enters into a written agreement with the other Party that any such information not theretofore publicly disclosed will be kept confidential and not disclosed to others on terms satisfactory to the other Party acting reasonably.

17. NOTICES

17.1 Any notice, direction or other instrument required or permitted to be given under this Agreement will be in writing and may be given by the delivery of the same or by mailing the same by prepaid registered or certified mail or by sending the same by telecommunication, facsimile or other similar form of communication, in each case addressed as follows:

(a) If to the Vendor or Privateco at:

Buchans Minerals Corporation
247 Dill Road, RR1,
Windsor, NS
B9N 2T0 Canada

Attention: President & Chief Executive Officer
Facsimile No.: (902) 472-3521

(b) If to the Purchaser at:

SG Spirit Gold Inc.
Suite 1240, 1140 West Pender Street
Vancouver, BC
V6E 4G1

Attention: President & Chief Executive Officer
Facsimile No.: (604) 681-8039

17.2 Any notice, direction or other instrument will:

(a) if delivered, be deemed to have been given and received on the day it was delivered; and

(b) if sent by telecommunication, facsimile or other similar form of communication, be deemed to have been given and received on the business day following the day it was so sent.

17.3 A Party may at any time give to the other Parties notice in writing of any change of address of the Party giving such notice and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such Party for the purposes of giving notice hereunder.

18. TERMINATION

18.1 Other than the provisions of this Agreement which explicitly survive termination, this Agreement will terminate upon the occurrence of the earliest of:

- (a) the written agreement by the Parties to terminate;
- (b) the Expiry Date has occurred and the Closing has not been completed;
- (c) the Vendor's termination of this Agreement pursuant to Section 8.2(a); and
- (d) the Purchaser's termination of this Agreement pursuant to Section 8.4(a).

Upon termination, the Option expires and this Agreement shall be of no further force and effect, provided that Sections 16, 17, 21 and 22.6 shall survive the termination of this Agreement.

19. FORCE MAJEURE

19.1 The obligations of a Party shall be suspended to the extent and for the period that performance is prevented by any cause, whether foreseeable or unforeseeable, beyond its reasonable control, including without limitation, labour disputes (however arising and whether or not employee demands are reasonable or within the power of the Party to grant); acts of God; laws, instructions or requests of any government or governmental entity; judgments or orders of any court; inability to obtain on reasonably acceptable terms any public or private license, permit or other authorization; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of Environmental Laws; action or inaction by any federal, provincial or local agency that delays or prevents the issuance or granting of any approval or authorization required to conduct operations beyond the reasonable expectations of the Party seeking the approval or authorization; acts of war or conditions arising out of or attributable to war, whether declared or undeclared; riot; civil strife, terrorism, insurrection or rebellion; fire, explosion, earthquake; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors' or subcontractors' shortage of, or inability to obtain, labour, transportation, materials, machinery, equipment, supplies, utilities or services; accidents; breakdown of equipment, machinery or facilities; actions by native rights groups, environmental groups, or other similar special interest groups; or any other cause similar to the foregoing (an "**Intervening Event**").

19.2 A Party relying on the provisions of Section 19.1 will promptly give written notice to the other Party of the particulars of the Intervening Event and all applicable time limits imposed by this Agreement will be extended from the date of delivery of such notice by a period equivalent to the period of delay resulting from an Intervening Event.

19.3 A Party relying on the provisions of Section 19.1 will take all reasonable steps to eliminate any Intervening Event and, if possible, will perform its obligations under this Agreement as far as commercially practical, but nothing herein will require such Party to settle or adjust any labour dispute or to question or to test the validity of any law, rule,

regulation or order of any duly constituted governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion commercially impracticable. A Party relying on the provisions of Section 19.1 will give written notice to the other Party as soon as such Intervening Event ceases to exist.

20. DEFAULT

20.1 Notwithstanding anything in this Agreement to the contrary, except for the obligations of the Purchaser set forth in Article 4, which shall not require a notice of default, if any Party (a "**Defaulting Party**") is in default of any requirement herein set forth the Party or Parties affected by such default will give written notice to the Defaulting Party specifying the default and the Defaulting Party will not lose any rights under this Agreement, unless within thirty (30) days after the giving of the first notice of default by an affected Party the Defaulting Party has failed to take reasonable steps to cure the default by the appropriate performance and if the Defaulting Party fails within such period to take reasonable steps to cure any such default, the affected Party will be entitled to seek any remedy it may have on account of such default including terminating this Agreement and/or seeking the remedies of specific performance, injunction or damages.

21. COSTS AND EXPENSES

21.1 Except as otherwise specifically set forth herein, each Party will bear its own expenses in connection with the contemplated transaction, including, without limitation, the costs and expenses of all attorneys, engineers, brokers, investment bankers, agents and finders employed by such Party. The Parties will indemnify each other against any claims, costs, losses, expenses or liabilities arising from any claim for commissions, finder's fees or other compensation in connection with the contemplated transaction, which may be asserted by any person, based on any agreement or arrangement for payment by the other Party.

22. GENERAL

22.1 The Parties will execute such further consents, agreements, documents and instruments and do such further and other things as may be necessary or convenient to carry out and give effect to the intent of this Agreement.

22.2 Time is of the essence in the performance of this Agreement.

22.3 No Party may assign or transfer, whether absolutely, by way of security, or otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other Parties.

22.4 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

22.5 This Agreement (including the Schedules thereto) constitutes the entire agreement between the Parties and, except as hereafter set out, replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and

representations, whether oral or written, express or implied, statutory or otherwise between the Parties with respect to the subject matter herein. There are no implied covenants contained in this Agreement other than those of good faith and fair dealing.

- 22.6 This Agreement will be governed by and construed according to the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Parties attorn to the non-exclusive jurisdiction of the courts of British Columbia in respect of all disputes arising hereunder.
- 22.7 This Agreement may only be amended by the written agreement of all the Parties hereto and their permitted successors and assigns.
- 22.8 This Agreement may be executed in one or more counterparts, including counterparts by facsimile or PDF via email transmission, each of which shall be deemed to be an original but each of which shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties hereto have executed these presents as of the day and year first above written.

BUCHANS MINERALS CORPORATION

By: W. MacLeod
Name: Warren MacLeod
Title: President & Chief Executive Officer

SG SPIRIT GOLD INC.

By: Adrian Bray
Name: Adrian Bray
Title: President & Chief Executive Officer

7980736 CANADA INC.

By: W. MacLeod
Name: Warren MacLeod
Title: President

SCHEDULE "A"

Description of Property

License Number	Date Issued	Claims	Renewal Year	Holder
Tulks North				
15311M	January 29, 1999	159	2014	7980736 Canada Inc.
15312M	January 29, 1999	157	2014	7980736 Canada Inc.
15313M	January 29, 1999	137	2014	7980736 Canada Inc.
18519M	January 29, 1999	156	2014	7980736 Canada Inc.
6548M	January 3, 1997	32	2012	7980736 Canada Inc.
Buchans				
10524M	January 6, 2005	5	2015	7980736 Canada Inc.
10525M	January 6, 2005	16	2015	7980736 Canada Inc.
10526M	January 6, 2005	5	2015	7980736 Canada Inc.
10546M	January 17, 2005	28	2015	7980736 Canada Inc.
10551M	February 1, 1993	215		7980736 Canada Inc.
11431M	December 1, 2005	3	2015	7980736 Canada Inc.
11432M	December 1, 2005	1	2015	7980736 Canada Inc.
11433M	December 1, 2005	2	2015	7980736 Canada Inc.
11793M	March 9, 2006	26	2016	7980736 Canada Inc.
11794M	March 9, 2006	20	2016	7980736 Canada Inc.
11795M	March 9, 2006	25	2016	7980736 Canada Inc.
11796M	March 9, 2006	17	2016	7980736 Canada Inc.
11797M	March 9, 2006	5	2016	7980736 Canada Inc.
11798M	March 9, 2006	5	2016	7980736 Canada Inc.
11799M	March 9, 2006	10	2016	7980736 Canada Inc.
11801M	March 9, 2006	16	2016	7980736 Canada Inc.
11808M	March 9, 2006	1	2016	7980736 Canada Inc.
13320M	April 9, 2007	13	2012	7980736 Canada Inc.
13423M	April 30, 2007	1	2012	7980736 Canada Inc.

License Number	Date Issued	Claims	Renewal Year	Holder
13539M	May 25, 2007	3	2012	7980736 Canada Inc.
19079M	May 31, 1996	12	2016	7980736 Canada Inc.
19080M	June 28, 1996	66	2016	7980736 Canada Inc.
19537M	November 9, 2004	6	2014	7980736 Canada Inc.
19538M	November 9, 2004	5	2014	7980736 Canada Inc.
19686M	January 17, 2005	6	2015	7980736 Canada Inc.
Fee Simple Properties (Buchans Project)				
Terra Nova Properties Fee Simple Mining Grant Vol. 1, Folio 61	December 31, 2007	10.62		7980736 Canada Inc.
Terra Nova Properties Fee Simple Mining Grant Vol. 1, Folio 62	December 31, 2007	14.692		7980736 Canada Inc.
Tulks Hill (Joint Venture - 51% Prominex Resources / 49% 7980736 Canada Inc.)				
10212M	May 3, 1993	20		Prominex Resources Corp.

SCHEDULE "B"

Consents and Approvals

1. Approval by the Vendor's shareholders of a special resolution authorizing the transaction contemplated by the Agreement.
2. Approval by the Purchaser's shareholders of a special resolution authorizing the transaction contemplated by the Agreement.
3. TSXV acceptance pursuant to Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* and Policy 5.2 – *Changes of Business and Reverse Takeovers* of the TSXV.
4. TSXV acceptance of a technical report prepared in respect of the Vendor's mineral properties other than the Property, in order to maintain the Vendor's continued listing requirements pursuant to TSXV policy.

SCHEDULE "C"

Encumbrances

Options or Interests in the Property, other than Net Smelter Royalties

License Number(s) ¹	Description of Option or Interest	Relevant Agreement
6548M 6565M 6567M 6568M 6569M 6570M 6573M 6574M 6575M	Noranda retains a one-time right to back in to the project for a 50% interest in the case of a deposit containing a resource or reserve exceeding 15 million tonnes at the grade and tonnes defined in a reserve report in an economic scoping study as the mineable resource or reserve, upon Noranda, within 90 days of the presentation of a feasibility study, paying Privateco the amount equal to twice the expenditures incurred by Privateco (and/or its predecessors) on the property and an additional \$3,000,000 upon achievement of commercial production, as defined in the Letter Agreement.	Letter Agreement with Noranda Inc. dated November 23, 1999, assigned to Privateco on November 1, 2011
Fee Simple Mining Grants, Volume 1, Folios 61 and 62 Part of the Anglo-Newfoundland Development Company (AND) Charter, as described in Schedule A to the Letter Agreement	Noranda has the right to buy back 50% interest in the properties by paying to Privateco an amount equal to two (2) times the cumulative exploration and development expenditure of Privateco (and/or its predecessors). This right terminates within 90 days from delivery to Noranda of a positive feasibility study.	Letter Agreement with Noranda Mining and Exploration Inc. dated June 30, 1998, assigned to Privateco on November 1, 2011
10212M	Prominex has earned an undivided 51% interest of the Property (as defined in the Option Agreement)	Option Agreement with Prominex Resource Corp. dated December 15, 2005, assigned to Privateco on November 1, 2011

Net Smelter Royalties

License Number(s) ¹	Net Smelter Royalty (NSR)	Relevant Agreement
6548M 6565M 6567M 6568M 6569M 6570M 6573M 6574M 6575M	In the event that Noranda does not exercise its right to back in to the project, an NSR of 1.5%	Letter Agreement with Noranda Inc. dated November 23, 1999, assigned to Privateco on November 1, 2011
Fee Simple Mining Grants, Volume 1, Folios 61 and 62 Part of the AND Charter, as described in Schedule A to the Letter Agreement	2%	Letter Agreement with Noranda Mining and Exploration Inc. dated June 30, 1998
4823	2%, with Privateco retaining the right to purchase 50% of the NSR at net present value, but not less than \$1,000,000	Agreement with Phelps Dodge Corporation of Canada, Limited dated September 29, 1998, assigned to Privateco on November 1, 2011
4272 4273 4858	3%, with Privateco retaining the right, up to the second anniversary of attainment of Commercial Production (as defined in the Option Agreement) to purchase up to two-thirds of the NSR at a price of \$1,000,000 per one percent of the NSR	Option Agreement with CBM Resources Inc. dated January 23, 1998, as amended September 20, 2000, assigned to Privateco on November 1, 2011
4317 4875	2%	Letter Agreement with Newfoundland Mining & Exploration Ltd. dated November 19, 2001, as amended January 25, 2002, assigned to Privateco on November 1, 2011

License Number(s) ¹	Net Smelter Royalty (NSR)	Relevant Agreement
4865 4867 4868 4869 4974M 6973M	2%	Letter Agreement with GT Exploration Ltd. dated November 19, 2001, as amended January 25, 2002, assigned to Privateco on November 1, 2011
19079M (formerly 5668M) 19080M (formerly 8295M)	2%	Indenture with GT Exploration Ltd. dated March 22, 2006, assigned to Privateco on November 1, 2011
4805	2%	Indenture with GT Exploration Ltd. dated June 30, 1997, as amended by an Indenture of Amendment and Rectification dated June 30, 1997, assigned to Privateco on November 1, 2011
4320	<p>(a) 0.75% in respect of Ore (as defined in the Option Agreement) mined from an ore body contained in the Property which is comprised of less than 10% combined zinc, copper and lead as determined by the average mill head grade calculated on a monthly basis in accordance with standards and practices generally acceptable in the Canadian mining industry; and</p> <p>(b) 1.50% in respect of Ore (as defined in the Option Agreement) mined from an ore body contained in the Property which is comprised of 10% or more combined zinc, copper and lead as determined by the average mill head grade calculated on a monthly basis in accordance with standards and practices generally acceptable in the Canadian mining industry.</p>	Letter Agreement with CBM Resources Inc. and United Bolero Development Corp. dated November 10, 2000, assigned to Privateco on November 1, 2011, and Section 7 of the Option Agreement between CBM Resources Inc. and United Bolero Development Corp. dated February 26, 1996

License Number(s) ¹	Net Smelter Royalty (NSR)	Relevant Agreement
4744 4603 4547 4497 4470 4295 4294 4293 4331M (lapsed) 4896M (lapsed) 4906M (lapsed) 4905M(lapsed) 4263M (lapsed) 4233M (lapsed)	1%	Indenture with Newfoundland Mining & Exploration Ltd. dated May 27, 1996, assigned to Privateco on November 1, 2011

Notes:

¹ The license numbers identified in each of the tables are taken from the agreements noted in the “Relevant Agreement” column, and in most cases are historical license numbers. With the exception of the licenses that are noted as having lapsed, the historical licenses set out in the tables are still partially active under current license numbers that pertain to the Property.

SCHEDULE "D"

Environmental Matters

Government remediation

The Vendor is aware that the government of Newfoundland and Labrador (the “**Government**”) has conducted audits and completed reports in regards to environmental remediation on the Buchans claims of the Property and those reports to which the Vendor has had access (the “**Reports**”) have been provided to the Purchaser during the due diligence period following the signing of a Letter of Intent between the Vendor and Purchaser announced in a news release on December 13, 2011. On the basis of the Reports, the remediation work undertaken by or on behalf of the Government is understood by the Vendor to include:

1. Capping old tailings and concentrates spilled immediately south east of old concentrate building outside town of Buchans.
2. Remediating and/or managing environmentally harmful residual material associated with past mining and processing, including but not limited to the spill of tailings and concentrates referred to in item 1, above. The Vendor acknowledges that there are sites of past mining and/or excavation, water storage and release associated with the former Buchans mines that were operated by the American Smelting and Refining Company, and while the Vendor does not possess detailed information with respect to such sites, the Vendor understands that the remediation work in respect of such sites includes:
 - (a) stabilizing, raising and strengthening the retaining walls for historic tailings dams number one and two;
 - (b) seeding exposed tailings in the vicinity of tailings dam number one;
 - (c) covering with till and seeding of areas surrounding the Lucky Strike mine site, including areas surrounding the Lucky Strike glory hole;
 - (d) removing and/or covering material containing high levels of lead from vicinity of softball diamond in town of Buchans;
 - (e) ongoing monitoring and treatment of water from the Lucky Strike and Oriental mines glory holes and associated underground access-ways.

The Vendor is not aware of any other environmental or remediation activities completed or planned to be completed by the Government within the Buchans claims.

Historical Environmental Liabilities

1. The Vendor is aware that the current concentrate building is clad with asbestos siding and may contain asbestos insulation that will have to be disposed of under Government regulations when dismantled.

2. The Vendor was notified by the previous plant superintendant of the historic Buchans mine that there is some asbestos siding buried in close proximity to the current concentrator building which will have to be located, removed and disposed of as per current Government regulations. The Vendor understands that this site may already be registered with the Government.
3. The Vendor was notified by the previous plant superintendant that portions of the previous flotation building were pushed into the current Lucky Strike glory hole. It is anticipated by the Vendor that during the development of the possible Lundberg open pit, this material will have to be removed and disposed of as per current Government regulations.
4. The Vendor was notified by the previous plant superintendant that there is a tunnel from the Lucky Strike glory hole that goes in an easterly direction under the town of Buchans and discharges water at the Buchans River. The tunnel is blocked part way down its length and the Government currently operate a small water treatment facility at the Buchans River for any water that still flows down the tunnel. The Vendor did have a conversation with the Government with regards to this tunnel and were informed that the Government is willing to negotiate with any mining lease owner covering the Lucky Strike glory hole in regards to not inheriting this liability in the event the water quantities or quality were not affected in any material respect. It is important to note that this was not a commitment by the Government, but an indication of a possible negotiation outcome.
5. The Vendor is aware of a fuel oil leak that occurred on or prior to September 19, 2009 from an above-ground fuel storage tank located on a parking lot on Main Street in Buchans. The amount of fuel released to the surrounding area is unknown.

SCHEDULE "E"

Material Agreements

1. Agreement of Purchase and Sale dated November 1, 2011 pursuant to which Privateco purchased the Property from the Vendor

Tulks Hill Property

(a) Underlying Agreements

2. Letter Agreement with CBM Resources Inc. and United Bolero Development Corp. dated November 10, 2000, in respect of historical license 4320
3. Option Agreement with Prominex Resource Corp. dated December 15, 2005, in respect of license 10212M

(b) Assignment and Assumption Agreements

4. Assignment and Assumption Agreement dated November 1, 2011 pursuant to which the Vendor assigned the Letter Agreement with CBM Resources Inc. and United Bolero Development Corp. dated November 10, 2000 to Privateco
5. Assignment and Assumption Agreement dated November 1, 2011 pursuant to which the Vendor assigned the Option Agreement with Prominex Resource Corp. dated December 15, 2005 to Privateco

Buchans Property

(a) Underlying Agreements

6. Indenture with Newfoundland Mining & Exploration Ltd. dated May 27, 1996 in respect of historical licenses 4744, 4603, 4547, 4497, 4470, 4295, 4294, 4293, 4331M, 4896M, 4906M, 4905M, 4263M, and 4233M
7. Indenture with GT Exploration Ltd. dated June 30, 1997, as amended by an Indenture of Amendment and Rectification dated June 30, 1997, in respect of historical license 4805
8. Option Agreement with CBM Resources Inc. dated January 23, 1998, as amended September 20, 2000, in respect of historical licenses 4272, 4273 and 4858
9. Letter Agreement with Noranda Mining and Exploration Inc. dated June 30, 1998, in respect of Fee Simple Mining Grants, Volume 1, Folios 61 and 62 and A.N.D. Charter Lands

10. Agreement with Phelps Dodge Corporation of Canada, Limited dated September 29, 1998, in respect of historical licence 4823
11. Letter Agreement with Newfoundland Mining & Exploration Ltd. dated November 19, 2001, as amended January 25, 2002, in respect of historical licenses 4317 and 4875
12. Letter Agreement with GT Exploration Ltd. dated November 19, 2001, as amended January 25, 2002, in respect of historical licences 4865, 4867, 4868, 4869, 4974M and 6973M
13. Indenture with GT Exploration Ltd. dated March 22, 2006, in respect of licenses 5668M and 8295M

(b) *Assignment and Assumption Agreements*

14. Assignment and Assumption Agreement dated November 1, 2011 pursuant to which the Vendor assigned the Indenture with Newfoundland Mining & Exploration Ltd. dated May 27, 1996 to Privateco
15. Assignment and Assumption Agreement dated November 1, 2011 pursuant to which the Vendor assigned the Indenture with GT Exploration Ltd. dated June 30, 1997, as amended, to Privateco
16. Assignment and Assumption Agreement dated November 1, 2011 pursuant to which the Vendor assigned the Option Agreement with CBM Resources Inc. dated January 23, 1998, as amended, to Privateco
17. Assignment and Assumption Agreement dated November 1, 2011 pursuant to which the Vendor assigned the Letter Agreement with Noranda Mining and Exploration Inc. dated June 30, 1998 to Privateco
18. Assignment and Assumption Agreement dated November 1, 2011 pursuant to which the Vendor assigned the Agreement with Phelps Dodge Corporation of Canada, Limited dated September 29, 1998 to Privateco
19. Assignment and Assumption Agreement dated November 1, 2011 pursuant to which the Vendor assigned the Letter Agreement with Newfoundland Mining & Exploration Ltd. dated November 19, 2001, as amended, to Privateco
20. Assignment and Assumption Agreement dated November 1, 2011 pursuant to which the Vendor assigned the Letter Agreement with GT Exploration Ltd. dated November 19, 2001, as amended, to Privateco

21. Assignment and Assumption Agreement dated November 1, 2011 pursuant to which the Vendor assigned the Indenture with GT Exploration Ltd. dated March 22, 2006 to Privateco

Tulks North Property

(a) *Underlying Agreements*

22. Letter Agreement with Noranda Inc. dated November 23, 1999, in respect of the Tulks North Property

(b) *Assignment and Assumption Agreements*

23. Assignment and Assumption Agreement dated November 1, 2011 pursuant to which the Vendor assigned the Letter Agreement with Noranda Inc. dated November 23, 1999 to Privateco

SCHEDULE "F"

Privateco Financial Statements

Unaudited Statement of Financial Position As at December 31, 2011

ASSETS

Current Assets

Deposits	8,177
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Exploration and evaluation assets	13,155,627
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TOTAL ASSETS	<u>13,163,804</u>
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LIABILITIES

Current Liabilities

Due to related parties	15,670
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Promissory note payable	<u>2,000,000</u>
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2,015,670

Deferred taxes	<u>3,288,906</u>
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5,304,576

EQUITY

Common Shares	7,859,228
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Retained earnings	<u>0</u>
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7,859,228

TOTAL LIABILITIES AND EQUITY	<u>13,163,804</u>
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SCHEDULE "G"

Liabilities of Privateco

Non-interest bearing demand promissory note, dated November 1, 2011, payable on demand to Buchans Minerals Corporation	\$2,000,000
Deferred Taxes	\$3,288,906

SCHEDULE "H"

Allocation of Privateco Shares to Consideration Paid

<u>Form of Consideration</u>	<u>Privateco Shares</u>
Payment Shares	800,000 Privateco Shares
Earn-In Warrants	200,000 Privateco Shares
Total	1,000,000 Privateco Shares

SCHEDULE "I"

Expenditure Obligations

	Budget (\$M)
Pre-feasibility	\$3.00
Exploration on Daniel's Pond + Other BMC Projects + Bobby's Pond Property	\$4.00
Taxes, Work Commitments, Claim Maintenance	\$0.50
Total Budget	\$7.50

SCHEDULE "J"

Purchaser's Properties

Property	Tenure Number	Claim Name	Area (ha)	Good To Date	Issue Date	Map Number	Owner
EDDY	503812	BigEd	105.02	2013/jun/25	2005/jan/15	082F050	SG SPIRIT GOLD INC.
EDDY	512215		461.75	2013/jun/25	2005/may/08	082G041	SG SPIRIT GOLD INC.
EDDY	512216		209.96	2013/jun/25	2005/may/08	082G041	SG SPIRIT GOLD INC.
EDDY	512217		230.91	2013/jun/25	2005/may/08	082G041	SG SPIRIT GOLD INC.
EDDY	512224		503.75	2013/jun/25	2005/may/08	082G041	SG SPIRIT GOLD INC.
EDDY	512225		629.45	2013/jun/25	2005/may/08	082G041/051	SG SPIRIT GOLD INC.
EDDY	512226		524.79	2013/jun/25	2005/may/08	082F050	SG SPIRIT GOLD INC.
EDDY	512227		524.37	2013/jun/25	2005/may/08	082F050	SG SPIRIT GOLD INC.
EDDY	512228		503.21	2013/jun/25	2005/may/08	082F050	SG SPIRIT GOLD INC.
EDDY	512229		461.13	2013/jun/25	2005/may/08	082F050	SG SPIRIT GOLD INC.
EDDY	512230		62.87	2013/jun/25	2005/may/08	082F060	SG SPIRIT GOLD INC.
EDDY	512231		41.93	2013/jun/25	2005/may/08	082F060	SG SPIRIT GOLD INC.
EDDY	512232		377.35	2013/jun/25	2005/may/08	082F060	SG SPIRIT GOLD INC.
EDDY	512233		586.89	2013/jun/25	2005/may/08	082F060	SG SPIRIT GOLD INC.
EDDY	515841		251.83	2013/jun/25	2005/jul/02	082F050	SG SPIRIT GOLD INC.
EDDY	515842		167.84	2013/jun/25	2005/jul/02	082F050/060	SG SPIRIT GOLD INC.
EDDY	515843		482.55	2013/jun/25	2005/jul/02	082F050/060	SG SPIRIT GOLD INC.
EDDY	515844		335.84	2013/jun/25	2005/jul/02	082F050	SG SPIRIT GOLD INC.
EDDY	515845		293.76	2013/jun/25	2005/jul/02	082F050	SG SPIRIT GOLD INC.
EDDY	515846		335.74	2013/jun/25	2005/jul/02	082F050	SG SPIRIT GOLD INC.
EDDY	515847		377.57	2013/jun/25	2005/jul/02	082F060	SG SPIRIT GOLD INC.
EDDY	515848		503.10	2013/jun/25	2005/jul/02	082F060	SG SPIRIT GOLD INC.
EDDY	515849		545.27	2013/jun/25	2005/jul/03	082F060	SG SPIRIT GOLD INC.
EDDY	515850		440.63	2013/jun/25	2005/jul/03	082F050/060	SG SPIRIT GOLD INC.
EDDY	515851		377.81	2013/jun/25	2005/jul/03	082F050	SG SPIRIT GOLD INC.
EDDY	515852		419.94	2013/jun/25	2005/jul/03	082F050	SG SPIRIT GOLD INC.
EDDY	515853		671.59	2013/jun/25	2005/jul/03	082F050	SG SPIRIT GOLD INC.
EDDY	515854		629.83	2013/jun/25	2005/jul/03	082F050	SG SPIRIT GOLD INC.
EDDY	515855		188.95	2013/jun/25	2005/jul/03	082F050	SG SPIRIT GOLD INC.
EDDY	515856		545.75	2013/jun/25	2005/jul/03	082F049	SG SPIRIT GOLD INC.

Property	Tenure Number	Claim Name	Area (ha)	Good To Date	Issue Date	Map Number	Owner
EDDY	515857		356.66	2013/jun/25	2005/jul/03	082F049	SG SPIRIT GOLD INC.
EDDY	515879		335.65	2013/jun/25	2005/jul/03	082F050/060	SG SPIRIT GOLD INC.
EDDY	516291		189.19	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516293		273.20	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516294		210.10	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516296		210.16	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516297		399.50	2013/jun/25	2005/jul/07	082F040	SG SPIRIT GOLD INC.
EDDY	516299		546.64	2013/jun/25	2005/jul/07	082F040/050	SG SPIRIT GOLD INC.
EDDY	516300		168.23	2013/jun/25	2005/jul/07	082F040	SG SPIRIT GOLD INC.
EDDY	516301		210.19	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516302		42.05	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516303		63.04	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516305		483.56	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516306		42.03	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516308		21.01	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516310		63.04	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516312		126.05	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516313		63.06	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516315		63.06	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	516317		483.15	2013/jun/25	2005/jul/07	082G041/051	SG SPIRIT GOLD INC.
EDDY	516318		42.05	2013/jun/25	2005/jul/07	082F040	SG SPIRIT GOLD INC.
EDDY	516319		273.22	2013/jun/25	2005/jul/07	082F050	SG SPIRIT GOLD INC.
EDDY	521766	GAR	293.59	2013/jun/25	2005/nov/02	082F060	SG SPIRIT GOLD INC.
EDDY	528683	NORTH WEAVER	147.07	2013/jun/25	2006/feb/20	082F050	SG SPIRIT GOLD INC.
EDDY	562994	WEAVERNW	168.12	2013/jun/25	2007/jul/14	082F050	SG SPIRIT GOLD INC.
EDDY	574244	GAR WEST	335.52	2013/jun/25	2008/jan/22	082F060	SG SPIRIT GOLD INC.
PJX /DEW DROP	515901		708.54	2014/nov/28	2005/jul/04	082G083	SG SPIRIT GOLD INC.
PJX /EDDY	506033		84.00	2013/jun/25	2005/feb/06	082F050	SG SPIRIT GOLD INC.
PJX /EDDY	512219		125.85	2013/jun/25	2005/may/08	082G051	SG SPIRIT GOLD INC.
PJX /EDDY	512220		377.66	2013/jun/25	2005/may/08	082G051	SG SPIRIT GOLD INC.
PJX /EDDY	512221		377.67	2013/jun/25	2005/may/08	082G041/051	SG SPIRIT GOLD INC.
PJX /EDDY	512222		461.84	2013/jun/25	2005/may/08	082F050	SG SPIRIT GOLD INC.
PJX /EDDY	512223		482.57	2013/jun/25	2005/may/08	082F050	SG SPIRIT GOLD INC.
PJX /LOOSE LEG	515882		83.51	2014/nov/28	2005/jul/03	082G073	SG SPIRIT GOLD INC.

Property	Tenure Number	Claim Name	Area (ha)	Good To Date	Issue Date	Map Number	Owner
PJX /LOOSE LEG	515883		62.63	2014/nov/28	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX /LOOSE LEG	598119	ROCKY 03-09	20.87	2014/nov/28	2009/jan/28	082G072	SG SPIRIT GOLD INC.
PJX /SPIRIT DREAM	515884		125.28	2014/dec/01	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX /SPIRIT DREAM	515885		187.95	2014/dec/01	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX /SPIRIT DREAM	515887		501.17	2014/nov/28	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX /SPIRIT DREAM	515891		459.17	2014/nov/28	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX /SPIRIT DREAM	515894		500.73	2014/nov/28	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX /SPIRIT DREAM	535380		125.33	2014/nov/28	2006/jun/09	082G073	SG SPIRIT GOLD INC.
PJX /TAC	396175	TAC 31	25.00	2013/apr/20	2002/aug/14	082G072	SG SPIRIT GOLD INC.
PJX /TAC	396177	TAC 33	25.00	2013/apr/20	2002/aug/14	082G073	SG SPIRIT GOLD INC.
PJX /TAC	515889		167.06	2014/nov/28	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX /TAC	515890		500.96	2014/nov/28	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX /TAC	574250	TAC NORTH	437.74	2014/nov/28	2008/jan/22	082G083	SG SPIRIT GOLD INC.
PJX OPTION	515881		125.29	2014/nov/28	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX OPTION	515888		501.33	2014/nov/28	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX OPTION	515892		521.55	2014/nov/28	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX OPTION	515893		375.53	2014/nov/28	2005/jul/03	082G073	SG SPIRIT GOLD INC.
PJX OPTION	515895		604.81	2014/nov/28	2005/jul/04	082G073	SG SPIRIT GOLD INC.
PJX OPTION	515896		521.39	2014/nov/28	2005/jul/04	082G073	SG SPIRIT GOLD INC.
PJX OPTION	515897		521.16	2014/nov/28	2005/jul/04	082G083	SG SPIRIT GOLD INC.
PJX OPTION	515898		625.66	2014/nov/28	2005/jul/04	082G073	SG SPIRIT GOLD INC.
PJX OPTION	515899		542.05	2014/nov/28	2005/jul/04	082G083	SG SPIRIT GOLD INC.
PJX OPTION	515902		254.36	2014/nov/28	2005/jul/04	082G083	SG SPIRIT GOLD INC.
PJX OPTION	515909		438.07	2014/nov/28	2005/jul/04	082G072	SG SPIRIT GOLD INC.
PJX OPTION	515910		604.71	2014/nov/28	2005/jul/04	082G082	SG SPIRIT GOLD INC.
PJX OPTION	516196		187.76	2014/nov/28	2005/jul/06	082G072	SG SPIRIT GOLD INC.
PJX OPTION	516197		354.68	2014/nov/28	2005/jul/06	082G072	SG SPIRIT GOLD INC.
PJX OPTION	516199		500.42	2014/nov/28	2005/jul/06	082G082	SG SPIRIT GOLD INC.
PJX OPTION	516201		83.43	2014/nov/28	2005/jul/06	082G072	SG SPIRIT GOLD INC.
PJX OPTION	516202		437.92	2014/nov/28	2005/jul/06	082G082	SG SPIRIT GOLD INC.
PJX OPTION	516203		666.96	2014/nov/28	2005/jul/06	082G082	SG SPIRIT GOLD INC.
PJX OPTION	516205		479.20	2014/nov/28	2005/jul/06	082G082	SG SPIRIT GOLD INC.
PJX OPTION	516206		270.86	2014/nov/28	2005/jul/06	082G082	SG SPIRIT GOLD INC.
PJX OPTION	516207		291.77	2014/nov/28	2005/jul/06	082G082	SG SPIRIT GOLD INC.

Property	Tenure Number	Claim Name	Area (ha)	Good To Date	Issue Date	Map Number	Owner
PJX OPTION	516208		666.70	2014/nov/28	2005/jul/06	082G082	SG SPIRIT GOLD INC.
PJX OPTION	516209		437.37	2014/nov/28	2005/jul/06	082G082	SG SPIRIT GOLD INC.
PJX OPTION	516210		437.26	2014/nov/28	2005/jul/06	082G082	SG SPIRIT GOLD INC.
PJX OPTION	525611	WILD HORSE	229.32	2014/nov/28	2006/jan/16	082G041	SG SPIRIT GOLD INC.
PJX OPTION	561745	SPIRIT WEST 2	313.30	2014/nov/28	2007/jun/30	082G073	SG SPIRIT GOLD INC.
PJX OPTION	574248	SURE BET	437.85	2014/nov/28	2008/jan/22	082G083	SG SPIRIT GOLD INC.
PJX OPTION	574251	SURE BET NORTH	375.16	2014/nov/28	2008/jan/22	082G089	SG SPIRIT GOLD INC.
PJX OPTION	574252	WYALD NORTH	500.84	2014/nov/28	2008/jan/22	082G073	SG SPIRIT GOLD INC.
PJX OPTION	598117	ROCKY 01-09	521.84	2014/nov/28	2009/jan/28	082G072	SG SPIRIT GOLD INC.
PJX OPTION	598118	ROCKY 02-09	459.36	2014/nov/28	2009/jan/28	082G072	SG SPIRIT GOLD INC.
PJX OPTION	598120	ROCKY 03-09	480.01	2014/nov/28	2009/jan/28	082G072	SG SPIRIT GOLD INC.
PJX OPTION	598121	ROCKY 05-09	480.03	2014/nov/28	2009/jan/28	082G072	SG SPIRIT GOLD INC.
PJX OPTION	719042		20.87	2014/nov/28	2010/mar/09	082G072	SG SPIRIT GOLD INC.
RUB	569233	RUB 1	524.37	2013/jun/25	2007/nov/02	082F060	SG SPIRIT GOLD INC.
RUB	569234	RUB2	167.80	2013/jun/25	2007/nov/02	082F060	SG SPIRIT GOLD INC.
VINE	380410	VP 6	25.00	2019/nov/01	2000/sep/04	082G041	SG SPIRIT GOLD INC.
VINE	380411	VP 7	25.00	2019/nov/01	2000/sep/04	082G041	SG SPIRIT GOLD INC.
VINE	380412	VP 8	25.00	2019/nov/01	2000/sep/04	082G041	SG SPIRIT GOLD INC.
VINE	380413	VP 9	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	380414	VP 10	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	380415	VP 11	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	380416	VP 12	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	380417	VP 13	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	380418	VP 14	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	380419	VP 15	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	380420	VP 16	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	380421	VP 17	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	380422	VP 18	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	380423	VP 19	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	380424	VP 20	25.00	2019/nov/01	2000/sep/04	082G031	SG SPIRIT GOLD INC.
VINE	832821	VINENW	84.08	2019/nov/01	2010/sep/05	082G031	SG SPIRIT GOLD INC.
ZINGER	544570		252.18	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.
ZINGER	544571		294.13	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.
ZINGER	544572		168.12	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.

Property	Tenure Number	Claim Name	Area (ha)	Good To Date	Issue Date	Map Number	Owner
ZINGER	544573		189.08	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.
ZINGER	544574		315.04	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.
ZINGER	544575		126.03	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.
ZINGER	544576		336.21	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.
ZINGER	544577		315.07	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.
ZINGER	544578		21.01	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.
ZINGER	544579		21.00	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.
ZINGER	544580		42.01	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.
ZINGER	544581		21.02	2013/jun/25	2006/oct/28	082F050	SG SPIRIT GOLD INC.
BEARCLAW OPTION	515858		503.49	2013/nov/01	2005/jul/03	082F	BEARCLAW CAPITAL CORP. 100%
BEARCLAW OPTION	515859		503.54	2013/nov/01	2005/jul/03	082F	BEARCLAW CAPITAL CORP. 100%
BEARCLAW OPTION	515861		461.69	2013/nov/01	2005/jul/03	082F	BEARCLAW CAPITAL CORP. 100%
BEARCLAW OPTION	515862		377.91	2013/nov/01	2005/jul/03	082F	BEARCLAW CAPITAL CORP. 100%
BEARCLAW OPTION	515863		398.88	2013/nov/01	2005/jul/03	082F	BEARCLAW CAPITAL CORP. 100%
BEARCLAW OPTION	515864		125.92	2013/nov/01	2005/jul/03	082F	BEARCLAW CAPITAL CORP. 100%
BEARCLAW OPTION	515865		419.76	2013/nov/01	2005/jul/03	082F	BEARCLAW CAPITAL CORP. 100%
BEARCLAW OPTION	515866		419.90	2013/nov/01	2005/jul/03	082F	BEARCLAW CAPITAL CORP. 100%
BEARCLAW OPTION	574245	LOV WEST	503.71	2013/nov/01	2008/jan/22	082F	BEARCLAW CAPITAL CORP. 100%
BEARCLAW OPTION	574246	LOV NORTH	209.75	2013/nov/01	2008/jan/22	082F	BEARCLAW CAPITAL CORP. 100%
BEARCLAW OPTION	830662	LOV	524.66	2013/jul/30	2010/jul/30	082F	BEARCLAW CAPITAL CORP. 100%

SCHEDULE "K"

Project Team

Warren MacLeod
Paul Moore
Dave Butler