

THIS OPTION AGREEMENT dated as of the 29th day of March, 2011.

BETWEEN:

CAMP MCMAN RED LAKE GOLD MINES LTD.

a corporation duly incorporated under the laws of Ontario

("Camp McMan")

OF THE FIRST PART

- and -

SPHERE RESOURCES INC.

a corporation duly incorporated under the laws of Yukon

("Sphere")

OF THE SECOND PART

- and -

DUNCAN PARK HOLDINGS CORPORATION

a corporation duly incorporated under the laws of Ontario

("Duncan Park")

OF THE THIRD PART

WHEREAS Camp McMan and Sphere executed and delivered a letter agreement dated November 30, 2010 (the "**Camp McMan/Sphere Letter Agreement**") with respect to the McManus claims, comprising 17 patented mining claims and 11 licenses of occupation located in Dome, Township, in the Red Lake Gold District of Ontario, as more particularly set forth on Schedule "A" attached hereto and forming a part hereof (the "**Property**");

AND WHEREAS the Camp McMan/Sphere Letter Agreement provides, among other things, that Camp McMan grant to Sphere a sole, exclusive and immediate right and option to acquire a 100% undivided interest in the Property (the "**Primary Option**"), subject to a 3 1/2% net smelter returns royalty interest to Camp McMan, as more particularly set forth on Schedule "D" attached hereto and forming a part hereof;

AND WHEREAS Sphere and Duncan Park have entered into an option agreement (the “**Dome Option Agreement**”) dated March 7, 2010 with respect to 37 mining claims in the Red Lake, Ontario area (the “**Dome Property**”);

AND WHEREAS the area of interest provision (Section 11) of the Dome Option Agreement (the “**Area of Interest Provision**”) requires that Sphere offer to Duncan Park the opportunity to include the Property as part of the Dome Property in consideration of payment by Duncan Park to Sphere of 24% of Sphere’s acquisition costs;

AND WHEREAS Sphere and Duncan Park executed and delivered a letter agreement dated December 23, 2010 (the “**Sphere/Duncan Park Letter Agreement**” and together with the Camp McMan/Sphere Letter Agreement, the “**Letter Agreements**”), which, subject to the reversion provisions of section 3.3 below, supersedes the Area of Interest Provision of the Dome Option Agreement with respect to the Property and accordingly wishes to grant to Duncan Park the sole, immediate, exclusive and irrevocable option to acquire a 100% undivided interest in the Property in consideration of Duncan Park funding Sphere’s obligations with respect to the Property (the “**Secondary Option**”), subject to (i) a 3 1/2% NSR to Camp McMan, (ii) Duncan Park’s ability to successfully raise the requisite funding on terms satisfactory to Duncan Park, in its sole discretion, and (iii) Sphere’s option to claw back a 51% interest by the payment in cash to Duncan Park of four times the Expenditures made by Duncan Park;

AND WHEREAS the Letter Agreements are to be superseded by a definitive agreement and therefore the Parties hereto are desirous of executing and delivering this Agreement, all on and subject to the terms and conditions herein contained;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants, conditions and premises herein contained, the sum of TWO DOLLARS now paid by each of the Parties (as hereinafter defined) to the others and for other good and valuable consideration (the receipt and sufficiency whereof being hereby acknowledged), the Parties do hereby covenant and agree as follows:

1. DEFINITIONS, SCHEDULES, GENDER AND CANADIAN DOLLARS

1.1 **Definitions.** Capitalized terms when not otherwise defined in this Agreement shall have the respective meanings ascribed thereto in Schedule “B” attached hereto and forming a part hereof.

1.2 **Representations and Warranties.** The Parties do hereby make those representations and warranties set forth in Schedule “C” attached hereto and forming a part hereof.

1.3 **Representations and Warranties as Conditions.**

(a) **Condition.** Each of the Parties acknowledges and agrees that the other Parties are entering into this Agreement relying upon the representations and warranties made

by it herein and the correctness of each such representation and warranty is a condition upon which each such other Party is relying in entering into this Agreement, each of which conditions may be waived in whole or in part solely by such other Party in writing and all such representations and warranties shall survive the execution, delivery and termination of this Agreement and the completion of the transactions contemplated hereby, notwithstanding any independent investigations a Party may make, for the period that terminates on the later of two (2) years following: (i) the exercise or, if terminated, the termination of the Primary Option; or (ii) the exercise or, if terminated, the termination of the Secondary Option.

(b) **Indemnification.** Each of Camp McMan, Sphere, and Duncan Park agrees to indemnify and hold harmless the other Parties from all Losses actually incurred by such other Party in connection with a breach of any representation or warranty made by it and contained herein, provided that such representations and warranties shall only have a survival period that terminates on the later of two (2) years following: (i) the exercise or, if terminated, the termination of the Primary Option; or (ii) the exercise or, if terminated, the termination of the Secondary Option.

1.4 **Schedule.** The following Schedules are attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

- Schedule "A" – Property
- Schedule "B" – Definitions
- Schedule "C" – Representations and Warranties
- Schedule "D" – Net Smelter Returns

1.5 **Gender and Extended Meanings.** In this Agreement all words and personal pronouns relating thereto shall be read and construed as the number and gender of the Party or Parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun. In this Agreement words importing the singular number include the plural and vice versa.

1.6 **Canadian Dollars.** All dollar amounts or "\$" referred to in this Agreement are in Canadian funds.

1.7 **Business Days.** All references in this Agreement to business days are to days excluding Saturdays, Sundays and banking holidays in Toronto, Ontario.

1.8 **Period of Time.** When calculating the period of time within which or following which any act is to be done or step is to be taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is a non-business day, the period in question shall end on the next business day.

1.9 **Section Headings.** The section and other headings contained in this Agreement or in the Schedules are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

2. GRANT OF PRIMARY OPTION BY CAMP MCMAN TO SPHERE

2.1 **Grant of Primary Option.** In consideration of the covenants and agreements of Sphere, Camp McMan hereby grants to Sphere the Primary Option, subject only to a 3½% NSR to Camp McMan. In addition, Camp McMan hereby agrees to transfer to Sphere the residue of the surface rights over the Property, as held by Camp McMan, at such time as Sphere has earned its 100% interest in the Property pursuant to this Agreement.

2.2 **Payments and Expenditures.**

(a) In order to maintain the Primary Option, Sphere shall make the following option payments (“**Option Payments**”) and issuances of Sphere Shares to Camp McMan and incur the following Work Costs, on or before each of the dates set out below:

Date	Option Payment	Share Issue	Work Costs
On signing the Camp McMan/ Sphere Letter Agreement (paid)	\$ 10,000	Nil	Nil
On signing this Agreement and the transfer of title to the Property to Sphere pursuant to section 2.8	\$ 25,000	300,000	Nil
On or before December 15, 2011	\$ 50,000	400,000	\$ 100,000
On or before December 15, 2012	\$ 50,000	500,000	Additional \$ 200,000
On or before December 15, 2013	\$ 75,000	500,000	Additional \$ 350,000
On or before December 15, 2014	Nil	Nil	Additional \$ 550,000
Total	\$210,000	1,700,000	\$1,200,000

(b) The initial \$100,000 Work Costs to be incurred on or before December 15, 2011, as set out in Section 2.2(a), shall be firm obligations of Sphere. Any additional Work Costs to be incurred by Sphere pursuant to this Agreement shall be at Sphere’s discretion. Notwithstanding the above, Sphere must nevertheless incur the cumulative minimum amount of \$1,200,000 of Work Costs in accordance with Section 2.2(a) in order to maintain the Primary Option, subject to the *force majeure* provisions under Section 10.1 and the Make-up Right (as defined in Section 2.2(c)).

(c) Notwithstanding the schedule of Work Costs set out in Section 2.2(a), Sphere may incur, at any earlier time or times, Work Costs in excess of the minimum amount of Work Costs required to be incurred by the applicable dates specified in such schedule, in which case such excess amount shall be carried forward to the succeeding period. If the actual Work Costs incurred are less than the minimum amount of Work Costs required to be incurred by December 15 of any of the years 2011 through 2014, Sphere

may pay the deficiency to Camp McMan in cash by the following December 15 in order to maintain the Primary Option (the "**Make-up Right**"). Such payments made pursuant to the Make-up Right, once received by Camp McMan, shall be deemed to be Work Costs on the Property for the purpose of Section 2.2(a).

(d) Upon making option payments totalling \$210,000, and issuing 1.7 million Sphere Shares (or the appropriate number of Duncan Park Shares, if applicable, pursuant to Section 2.13) on or before December 15, 2013 and incurring Work Costs of \$1,200,000 on or before December 15, 2014, Sphere shall have earned a 100% interest in the Property, including residue of the surface rights with respect thereto, and be deemed to have exercised the Primary Option, subject only to the 3½% NSR to Camp McMan. The NSR shall be determined and paid in accordance with Schedule "D" hereto.

(e) Upon the exercise of the Primary Option, Sphere shall make an annual payment to Camp McMan of \$10,000 (the "**Advanced Royalty Payment**") on or before December 15 of each year during the term of this Agreement commencing December 15, 2014 and until the earliest of (i) the time that a production decision in respect of the Property is made, (ii) Sphere exercising its option, under Section 2.5 to purchase 1.5% of the NSR or part thereof, which shall not be less than 0.5% of the NSR or \$500,000, and (iii) Sphere returning the Property to Camp McMan. In the event that Sphere fails to pay the Advanced Royalty Payment to Camp McMan within 30 days of the date on which the Advanced Royalty Payment is due (the "**Payment Date**"), Camp McMan shall provide Sphere (with a copy to Duncan Park) with written notice ("**Notice of Payment Default**") of such failure. If Camp McMan has not received the Advanced Royalty Payment then outstanding within 30 days from the date of the Notice of Payment Default, Sphere shall immediately transfer title of the Property back to Camp McMan free and clear of all liens, Encumbrances or charges arising from Sphere's operations and in a safe and orderly condition; and (ii) ensure that all applicable taxes on the Property are paid and/or applied up to the end of the year during which Sphere fails to pay the Advanced Royalty Payment to Camp McMan. Upon the occurrence of the Option Earn-In Date, such annual payment shall be made by Duncan Park (or, if Sphere exercises its Back-in Right, such annual payment shall be made in accordance with the Joint Venture Agreement).

2.3 **Operator.** Sphere shall have the exclusive right to manage and operate the exploration programs on the Property during the Primary Option Period in which Sphere is earning its interest in the Property. Sphere shall have the right to prepare the feasibility study when Sphere determines one is justified, in its sole discretion. All work programs and any production decision shall be in the sole discretion of Sphere. Sphere shall be entitled to include in Work Costs for the purposes of this Agreement a notional amount equal to 15% of all Work Costs incurred by it, or on its behalf (by Duncan Park pursuant to the Secondary Option, or otherwise), on the Property or pursuant to this Agreement.

2.4 **Reporting.** Sphere shall provide Camp McMan with interim statements in reasonable detail of Work Costs by December 15 of each year with respect to Work

Costs incurred by or on behalf of Sphere during the preceding 12-month period ending December 15 and shall provide a final statement, certified by an officer of Sphere, by December 15, 2014.

2.5 **NSR.** Sphere shall have the right to buy down Camp McMan's NSR from 3.5% to 2% for \$500,000 per ½% in accordance with Schedule "D" hereto.

2.6 **Area of Interest.** Subject to Section 11.1, there shall be no area of interest surrounding the Property and Camp McMan and Sphere shall be at liberty to acquire other properties, whether or not adjoining the Property, for their own account and without accountability to each other Party.

2.7 **Tax.** Sphere shall make all tax payments on the Property when due during the Primary Option Period. Camp McMan shall promptly forward to Sphere all notices and other communications in connection with the Property that it receives from Government or Regulatory Authorities so that Sphere may carry out its obligation in this regard. All such tax payments will be included as Work Costs under section 2.2(a).

2.8 **Title.** In order for Sphere to effectively administer the property records, Camp McMan shall transfer title to the Property to Sphere promptly upon the execution of this Agreement by all Parties and Sphere shall hold the Property in trust for Camp McMan until Sphere earns its interest therein. In the event that this Agreement is terminated, Sphere shall (i) transfer title to the Property back to Camp McMan within 30 days of the date of such termination, free and clear of all liens, Encumbrances or charges arising from Sphere's operations and in a safe and orderly condition; and (ii) ensure that all applicable taxes on the Property are paid and/or applied up to the end of the year during which this Agreement is terminated.

2.9 **Access.** Camp McMan shall have, at all reasonable times during the Primary Option Period and Secondary Option Period, if applicable, access to the Property and to the drill core and, once prepared and reviewed by Sphere, assay results in respect of the Property, and shall receive all reports on the Property in a timely manner. These reports shall include the results of geophysical and all other work on the Property. Information received shall be treated as confidential.

2.10 **Transfer.**

(a) Subject to Section 2.10(b), Camp McMan shall not sell, assign, transfer or otherwise dispose of all or any part of its interest in the Property, including its NSR, except pursuant to a bona fide written offer from a proposed arms' length purchaser (the "**Purchaser**") which Camp McMan is prepared to accept, provided Camp McMan shall have first offered the interest which the Purchaser proposes to purchase in writing to Sphere at the same price or its cash equivalent and on the same terms as are offered by the Purchaser and shall have provided Sphere with a copy of the Purchaser's offer. Sphere shall have 60 days to accept the offer. If Sphere does not accept the offer, Camp McMan may sell the interest to the Purchaser on the terms and conditions set out

in the original offer received from the Purchaser during the 60 days next following the 60 day period in which Sphere may accept the offer or Sphere's earlier rejection of the offer. Notwithstanding the foregoing, any such Purchaser of all or any part of Camp McMan's interest in the Property shall be required to agree to abide by the terms and conditions of this Agreement in a manner satisfactory to Sphere and Duncan Park.

(b) Notwithstanding Section 2.10(a) but subject to Section 2.1, Camp McMan may sell, assign, transfer or otherwise dispose of any or all of the surface rights over the Property that it holds until such time as Sphere has earned its 100% interest in the Property pursuant to this Agreement, provided that Camp McMan may not directly or indirectly sell, assign, transfer or otherwise dispose of any or all of the surface rights over the Property that it holds to any mining and/or mineral exploration or development company other than Sphere or Duncan Park.

2.11 **Arbitration**. Any dispute between Camp McMan and Sphere arising from this Agreement, including any dispute with respect to the calculation of NSR payable hereunder, which, in the opinion of either Sphere or Camp McMan, cannot be resolved directly between Sphere and Camp McMan shall be settled by arbitration in accordance with Section 17.2 hereof.

2.12 **Environmental**. Sphere shall disclose the results of any environmental assessment conducted by it to Camp McMan and shall comply with any legal obligations it may have in this regard. If, during the course of any such environmental assessment, Sphere should become aware of any condition which Sphere, in its sole discretion, determines could pose a risk to health or safety of any person, then Sphere shall have the right to advise the appropriate authorities.

2.13 **Assignment to Duncan Park**.

(a) Camp McMan hereby consents to the grant of the Secondary Option by Sphere to Duncan Park pursuant to this Agreement and Camp McMan hereby acknowledges and agrees that Duncan Park may assume Sphere's rights and certain of its obligations under the Primary Option and this Agreement in the event that Sphere fails or is unable to meet its obligations under the Primary Option (an "**Event of Default**"). If an Event of Default occurs, which shall be determined by Camp McMan, in its sole discretion, Camp McMan shall provide Duncan Park with written notice ("**Notice of Default**") of such failure or inability within 30 days of Camp McMan first becoming aware of the Event of Default. Within 30 days of the date that it receives the Notice of Default and subject to the Secondary Option being in good standing and all Payment and Expenditure Obligations (as defined in Section 3.1) then due to Camp McMan having been made by Duncan Park, Duncan Park, if it so elects, shall provide Camp McMan with written notice ("**Notice of Assumption**") that it is exercising its right to assume Sphere's rights and certain of its obligations under the Primary Option and this Agreement. Duncan Park shall then have 30 days from the date of the Notice of Assumption (the "**Payment Period**") to issue Duncan Park Shares in lieu of any Sphere Shares (in accordance with Section 2.13(c)) then due to Camp McMan. In the event that Duncan Park does not

issue Duncan Park Shares to Camp McMan then due by the end of the Payment Period (or such later date as Duncan Park and Camp McMan may agree), Camp McMan then (and only then) may elect to cancel the Primary Option and, if Camp McMan so elects, Sphere shall transfer title to the Property back to Camp McMan, within 30 days of the date of such cancellation, free and clear of all liens, Encumbrances or charges arising from Sphere's operations and in a safe and orderly condition; and (ii) ensure that all applicable taxes on the Property are paid and/or applied up to the end of the year during which this Agreement is terminated.

(b) In the event that Duncan Park assumes, pursuant to Section 2.13(a) of this Agreement, Sphere's rights and certain of its obligations under the Primary Option and this Agreement, (i) Duncan Park shall be granted all of the rights and authority previously provided to Sphere under Section 2 of this Agreement; and (ii) title to the Property shall be transferred forthwith to Duncan Park (and Duncan Park shall hold the Property in trust for Camp McMan until Duncan Park earns its interest therein).

(c) Camp McMan acknowledges and agrees that in the event that Duncan Park assumes, pursuant to Section 2.13(a) of this Agreement, Sphere's rights and certain of its obligations under the Primary Option and this Agreement, (i) the issue of Duncan Park Shares to Camp McMan shall satisfy the obligations of Sphere to issue Sphere Shares to Camp McMan. The number of Duncan Park Shares to be issued shall be determined by multiplying the applicable number of Sphere Shares to be issued by 0.372; and (ii) Duncan Park shall not be responsible for any of Sphere's obligations or Sphere's actions pursuant to this Agreement that occurred prior to the date that Duncan Park assumed Sphere's rights and certain of its obligations under this Agreement. Notwithstanding the foregoing, Duncan Park shall not assume any of Sphere's prior or future obligations under Sections 1.3 and 15.1 of this Agreement and Duncan Park shall not be responsible for any of the representations and warranties made by Sphere in this Agreement.

2.14 **Termination.**

(a) Sphere has the option to terminate this Agreement at any time after the initial \$100,000 Work Costs, as set out in Section 2.2(a), have been completed and the schedule of Option Payments and issue of Sphere Shares has been fulfilled according to the schedule in Section 2.2(a) up to the date of termination.

(b) In the event that this Agreement is terminated prior to Sphere earning its interest in the Property, Sphere shall have one year to remove all its equipment from the Property and shall do so if requested by Camp McMan. Thereafter, Sphere's interest in any such equipment remaining on the Property shall be deemed to have been conveyed to Camp McMan.

3. GRANT OF SECONDARY OPTION BY SPHERE TO DUNCAN PARK AND BACK-IN RIGHT

3.1 **Grant.** In consideration of the covenants and agreements of Duncan Park, Sphere does hereby give and grant to Duncan Park, as of the date hereof, the Secondary Option, free and clear of any and all Encumbrances save and except for the 3 1/2% NSR to Camp McMan by satisfying within the time limits therefor, those Option Payments and Work Costs set forth in Section 2.2 herein (the “**Payment and Expenditure Obligations**”). Duncan Park’s obligation to satisfy the Payment and Expenditure Obligations shall commence as of the Effective Date, provided that the Secondary Option is then in effect. The Secondary Option shall end as determined in Section 9 herein.

3.2 **Back-In Right.** Effective upon the Option Earn-In Date, Duncan Park does hereby grant to Sphere the Back-In Right for the Back-In Period. If Sphere exercises the Back-In Right, Sphere shall have earned a 51% undivided interest in the Property, free and clear of any and all Encumbrances, save and except for the 3 1/2% NSR to Camp McMan.

3.3 **Reversion.** In the event that the Secondary Option shall be cancelled in accordance with Section 9 herein, the Area of Interest Provision of the Dome Option Agreement shall immediately thereafter re-apply to the Property and (i) Sphere shall be deemed to have offered to Duncan Park the right to have the Property included within the Area of Interest Provision of the Dome Option Agreement and Duncan Park shall be deemed to have elected to accept such offer in accordance with the Area of Interest Provision of the Dome Option Agreement; and (ii) Duncan Park shall be credited with all amounts expended under this Agreement towards its obligation under the Area of Interest Provision of the Dome Option Agreement (that is, Duncan Park’s obligation in such event to pay Sphere 24% of Sphere’s acquisition costs of the Property) and any excess amounts expended by Duncan Park shall be credited to Duncan Park with respect to its future joint venture contributions, if any, as they may arise under the Dome Option Agreement.

3.4 **Title Matters.** If Sphere exercises the Back-In Right and thereby has a greater Participating Interest than Duncan Park, then Sphere, as Operator, shall be entitled to be registered or recorded as the 100% owner of the Property and shall hold the interests of Duncan Park, from time to time, in trust pursuant to the resulting Joint Venture Agreement. If Sphere does not exercise the Back-In Right, then Duncan Park shall be entitled to be registered or recorded as the 100% owner of the Property, and shall hold the Property subject to the 3½% NSR to Camp McMan and Duncan Park shall be entitled to any and all buy-back rights and rights of first refusal with respect thereto.

3.5 **Operator Until Execution and Delivery of Joint Venture Agreement.** During the period commencing on the Option Earn-In Date and terminating at the end of the Back In Period, Duncan Park shall fund 100% of the Expenditures required to maintain the Property on an essentially care and maintenance basis until the execution and

delivery of the Joint Venture Agreement, if applicable, at which point there shall be *pro rata* funding by the Participants. Any funding advanced by Duncan Park during such period shall be credited to Duncan Park with respect to future Joint Venture contributions, if applicable.

3.6 **Expenses.** Legal and accounting costs incurred by Duncan Park and Sphere in preparing and maintaining this Agreement, and any successor agreements or amendments thereto, shall be shared by Duncan Park and Sphere on the basis that Sphere has exercised its Back-in Right (i.e. Sphere's share of such costs shall be 51% and Duncan Park's share of such costs shall be 49%). Camp McMan shall be responsible for any such legal and accounting costs that it incurs in preparing and maintaining this Agreement, and any successor agreements or amendments thereto.

4. **EXERCISE OF OPTION**

4.1 **Option Exercise.** If Duncan Park has duly satisfied the Payment and Expenditure Obligations in accordance with the provisions of 3.1 (by reference to the provisions of section 2.2), Duncan Park shall have duly exercised the Secondary Option and Sphere shall be deemed to have duly exercised the Primary Option as at such date (the "**Option Earn-In Date**") and Duncan Park shall have earned a 100% undivided interest in the Property, free and clear of any and all Encumbrances, subject to the 3½% NSR to Camp McMan.

4.2 **No Partial Interest.** If Duncan Park fails to exercise the Secondary Option as provided in Section 4.1, Duncan Park shall not be entitled to any partial interest in the Property.

5. **TRANSFER OF DATA AND PROPERTY**

5.1 **Data.** Sphere does hereby agree to forthwith deliver to Duncan Park photocopies of all maps, reports, results of surveys and drilling and any other reports of information Sphere may have prepared or may have caused to be prepared or may have in its possession or under its control with respect to the Property.

5.2 **Title to Property.** During the Secondary Option Period, registered title to the Property shall remain in the name of Sphere.

5.3 **Transfer by Sphere.** During the Primary Option Period and the Secondary Option Period, Sphere shall not transfer all or any part of its interest in this Agreement, the Dome Agreement or the Global Clarification Agreement, other than with the prior written consent of Duncan Park or as provided herein.

6. **OPERATOR OF THE PROPERTY AND TECHNICAL COMMITTEE**

6.1 **Appointment of Operator.** Sphere shall act as operator of the Property (the "**Operator**") under the Secondary Option during the Secondary Option Period and may engage a General Contractor to act at the direction of the Operator. The Operator shall be responsible for the preparation of Programs and Budgets and the implementation of

field level financial controls to ensure that Expenditures that would exceed the Budget are not incurred. If the Operator exceeds the Budget, the Operator is solely responsible for the excess costs. The Operator shall be responsible, in its sole discretion, for carrying out and administering Mining Operations on the Property. The Operator shall have the sole, exclusive and immediate right (together with the General Contractor, if any) to enter upon, explore and develop the Property and to have quiet and exclusive possession of the Property with sole power and authority to the Operator and its Agents to sample, extract, diamond drill, prospect, explore, develop and mine the Property in such manner as the Operator in its sole discretion may determine, including without limitation, the right to erect, bring and install thereon all buildings, machinery, equipment and supplies as the Operator shall deem necessary and proper and to remove therefrom reasonable quantities of ores, minerals or metals for assay and testing purposes.

6.2 **Technical Committee.** As soon as practicable following the Effective Date, provided that the Secondary Option is then in effect, Duncan Park and Sphere shall establish a committee (the “**Technical Committee**”) to serve as a forum through which Duncan Park and Sphere can be engaged in the design and implementation of the Programs and Budgets for the Property and to review results therefrom from time to time. The Technical Committee shall remain constituted until the earlier of the formation of a Joint Venture or termination of this Agreement. Sphere, as Operator, shall prepare the Programs and Budgets, but the same shall remain subject to approval by Duncan Park (who shall have final veto with respect thereto). Each of Duncan Park and Sphere shall be entitled to representation on the Technical Committee and may be represented by such individuals as that Party considers appropriate for the subject matter of discussion at the meetings and the nature of the Program and Budget to be considered. For greater certainty and without limitation, the Technical Committee shall evaluate the results of Program work and evaluate and comment upon the scope, budget and timing of proposed Programs including all alternative suggestions or proposals of Technical Committee members. Meetings of the Technical Committee shall be held in Toronto on not less than seven days’ notice from a Party and shall be held not less frequently than annually unless otherwise agreed by both Duncan Park and Sphere. If members appointed by Duncan Park and by Sphere are in attendance at a Technical Committee meeting the members present may waive in writing the giving of notice for any meeting of the Technical Committee or the transaction of business not set forth on an itemized agenda, either before or after the Technical Committee meeting. The Operator shall not deviate from any Program and Budget without providing reasonable notice to Duncan Park of such deviation together with the reasons therefor and a revised Program and Budget for the remaining months of the 12 month period. It is understood and agreed that Sphere in its capacity as Operator shall use its best efforts to ensure that the Expenditures constitute Canadian Exploration Expense (within the meaning of the *Income Tax Act* (Canada)).

7. **PROGRAMS AND BUDGETS AND FUNDING**

7.1 **Programs and Budgets.** All Mining Operations shall be conducted in accordance with Programs and Budgets, which the Operator shall implement within the

timeframes specified therein. Within ten days of the date of this Agreement and annually thereafter the Operator shall prepare and deliver to Duncan Park an annual Budget (the “**Annual Budget**”) setting forth in general terms the estimated amounts, including Canadian HST, required to be spent in the coming year for Mining Operations, environmental reclamation costs, and claim maintenance costs. In the event that the Operator does not deliver an Annual Budgets to Duncan Park within the timeframe specified in this section 7.1, then Duncan Park shall have the sole right to prepare any such outstanding Annual Budget. The total amount of the estimated costs cannot exceed the amounts Duncan Park has agreed to fund as set out in section 2.2 except as agreed to in writing by Duncan Park. Not less than ten days prior to the commencement of a Mining Operation the Operator shall provide a Budget for the upcoming phase of the Mining Operation in which the total amount of the Budget including environmental reclamation costs, and Canadian HST, is allocated to Suppliers, if known, or to Functions for which a Supplier has not yet been identified. The cumulative amount of Budgets may not exceed the Mining Operating costs included in the Annual Budget except to the extent approved in writing by Duncan Park. To the extent that an amount allocated to an individual Supplier or Function is not required, the Operator may reallocate that amount to another Supplier or Function. The Operator shall design and implement financial controls to ensure that Work Costs that would exceed a Budget are not incurred. The Operator is responsible to fund all costs in excess of Budget(ed) costs.

7.2 Funding of Mining Operations. The Operator shall advise every supplier in advance of the commencement of work of the maximum amount that Duncan Park is required to or has agreed to fund, shall organize that all invoices for Expenditures within the Budget limit shall be addressed to Duncan Park, and shall deliver to Duncan Park all invoices received and evidence supporting the invoice with respect to Mining Operations which comprise amounts that constitute Expenditures for the purposes of this Agreement and which are to be funded by Duncan Park. The invoices forwarded to Duncan Park by the Operator shall be signed by Sphere, which signature shall constitute irrevocable proof that Sphere has approved the same and that the same are authorized and accepted Expenditures for the purposes of this Agreement. Duncan Park shall also sign the said invoices and, provided that the cumulative amount to be paid to any supplier does not exceed the amount that the Operator has allocated to that supplier, shall make payment directly to the Persons issuing the said invoices within two weeks of receipt of same. Duncan Park shall not be liable to make payment in respect of any invoices if the same do not reflect Expenditures approved by Duncan Park in a Program and Budget (unless Duncan Park shall agree otherwise). Duncan Park shall maintain a system of financial controls on a daily running/depleting balance basis that shall indicate the Expenditures that have been funded by Duncan Park and the amount of Expenditures that remain subject to being funded by Duncan Park. Duncan Park shall forward a copy of such balance to Sphere regularly or on reasonable request therefor and in any event on a semi-annual basis throughout the Secondary Option Period.

8. MAINTENANCE OF PROPERTY

8.1 **Maintenance of Property.** During the Secondary Option Period, the Operator shall do, record and/or pay annually or in advance, assessment work for the Property and shall pay such taxes, licenses, fees and rents as may be required to keep the Property in good standing and shall pay all costs relating to all requisite reclamation obligations with respect to the Property. The Operator shall make payments and provide information to Duncan Park with respect to assessment work, taxes, fees, rents and reclamation, as applicable. Any amounts paid by the Operator pursuant to this section 8.1 shall be considered, for the purpose of this Agreement, to be Expenditures and incurred for the account of Duncan Park. Subject to the Budget limitations set forth in section 7.1, Duncan Park shall reimburse the Operator for any such amounts paid by the Operator within 45 days of receipt, by Duncan Park, of an accounting of such amounts paid by the Operator from time to time. For greater certainty and without limitation, any and all data reports, notices, correspondence and communications received by or sent by the Operator with respect to the Property, including without limitation, with respect to Camp McMan and/or the Primary Option shall be forwarded simultaneously by Sphere to Duncan Park.

8.2 **Reports.** During the Secondary Option Period, the Operator shall submit to Duncan Park periodic progress reports of the Mining Operations completed on the Property. All third party technical reports prepared for the Operator on the Property shall be prepared in compliance with NI 43-101 and additionally addressed to Duncan Park and Duncan Park shall be permitted to publicly file and otherwise disseminate such reports. If required to meet its public company reporting obligations, Duncan Park and its Agents will have sufficient access to the Property and Sphere's data related thereto, on reasonable notice, to permit it to comply with such disclosure obligations.

8.3 **Access to Property.** During the Secondary Option Period, upon the written request of Duncan Park, Sphere shall provide Duncan Park with access to the Property at convenient times and days for Duncan Park in order to observe the conduct of the operations or to view drill cores and samples. Such access shall be at the sole cost, expense and risk of Duncan Park and must not obstruct or interfere with the operation or activities conducted by Sphere or the General Contractor. If Duncan Park has requested such a visit, the cost shall be borne by Duncan Park and included as Expenditures that are Work Costs under section 2.2(a), but not included as Duncan Park's Expenditures in connection with the Back-in Right and shall not affect the Budget.

8.4 **Insurance.** During the Secondary Option Period, the Operator shall provide, maintain and pay insurance on industry standard terms as would a prudent miner and charges therefor shall be included and form a part of the Expenditures. The Operator shall provide Duncan Park with such evidence of insurance as Duncan Park may request. The Operator shall list Duncan Park as additional insured or named insured (as advised by Duncan Park) on any related insurance policies.

8.5 **Environmental Matters.** The Operator shall:

- (a) receive, handle, use, store, treat, ship and dispose of any and all environmental contaminants (as established from time to time by applicable legislation or regulation or by-law) in strict compliance with all applicable environmental, health or safety laws, regulations, order or approvals and will remove prior to the lapse or termination of the Secondary Option, from and off the Property all environmental contaminants;
- (b) not release into the environment, or deposit, discharge, place, or dispose of at, on or near the Property any hazardous or toxic materials, substances, pollutants, contaminants or wastes as a result of the Mining Operations conducted by it;
- (c) not do or omit to do any act or thing that shall disturb the fish habitat appertaining to the Property; and
- (d) not use the Property, nor permit any other person to use the Property as a landfill or waste disposal site.

8.6 **Standard of Care.** Mining Operations carried on or conducted by or on behalf of Sphere (and the General Contractor) in respect of the Property shall be carried on or conducted in a sound and workmanlike manner and in compliance with sound geological and geophysical exploration and mining engineering and metallurgical practices. All such Mining Operations shall be in compliance with all federal and provincial Laws.

8.7 **Option Regarding Commercial Production.** The Operator shall be under no obligation whatsoever to place the Property into commercial production and if the Property is placed into commercial production, the Operator shall have the right at any time to curtail or suspend such commercial production as the Operator in its absolute discretion deems advisable.

8.8 **Indemnification.** Sphere hereby covenants and agrees to indemnify and hold harmless Duncan Park from and against any and all Losses actually incurred by Duncan Park in connection with any breach of Laws, accidents, labour law violations or any other claims or actions arising out of the Mining Operations (including without limitation, matters set forth in section 8.5) carried on or conducted by or on behalf of Sphere in respect of the Property during the Secondary Option Period as well as the failure of Sphere to conduct reclamation activities on the Property required as a result of Mining Operations, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that: (a) Duncan Park and/or its Agents have been grossly negligent or have committed wilful misconduct or any fraudulent act in connection with its actions under this Agreement or in connection with the Property or Mining Operations in respect of the Property (whether or not done on behalf of Sphere); and (b) the Losses as to which indemnification is claimed were directly caused by the gross negligence, wilful misconduct or fraud referred to in clause (a). This indemnity shall survive the termination of this Agreement.

9. TERMINATION OF SECONDARY OPTION

9.1 **Termination of Secondary Option by Duncan Park.** Duncan Park shall have the right to terminate the Secondary Option at any time after the initial \$100,000 Work Costs, as set out in Section 2.2(a), have been completed and the schedule of Option Payments has been fulfilled according to the schedule in Section 2.2(a) up to the date of termination, upon prior written notice to Sphere and thereafter, Duncan Park shall have no further or other rights and obligations under this Agreement and Duncan Park shall be credited with all amounts expended under this Agreement in accordance with Section 3.3.

9.2 **Termination of Secondary Option by Sphere.** Sphere shall have the right to terminate the Secondary Option as a result of a breach by Duncan Park of the Payment and Expenditure Obligations under section 3.1, on prior written notice to Duncan Park (the "**Termination Notice**"), if within 30 days after receipt of the Termination Notice, Duncan Park shall fail to satisfy such Payment and Expenditure Obligations then due and unpaid.

9.3 **Buildings.** Upon termination of the Secondary Option, all buildings, plant, equipment, machinery, tools, appliances and supplies which may have been brought upon the Property by or on behalf of Sphere (even if funded directly or indirectly via Expenditures) shall become the property of Sphere.

10. FORCE MAJEURE - GENERAL

10.1 **Force Majeure.** Time shall be of the essence of this Agreement, provided however that notwithstanding anything else to the contrary contained herein, if a Party should at any time or times during the currency of this Agreement be delayed in or prevented from complying with this Agreement by reason of any of the following events (an "**Event of Force Majeure**"): wars, acts of God, strike, lockouts or other industrial disputes, inability to access its place of business or operations, acts of the public enemy, riots, fire, storm, flood, explosion, government restriction, failure to obtain any approvals required from regulatory authorities including environmental protection agencies and First Nations People (but excluding receipts for prospectuses or other appraisals concerning financials), unavailability of equipment or qualified personnel, delays of transportation, breakdown of machinery, interference of persons primarily concerned about environmental issues or aboriginal rights pressure groups or other causes whether of the kind enumerated above or otherwise which are not reasonably within the control of the applicable Party (excluding for greater certainty and without limitation, unavailability of funds), the period of all such delays resulting from such causes or any of them shall be excluded in computing the time within which anything required or permitted by the applicable Party to be done is to be done hereunder, it being understood that the time within which anything is to be done hereunder shall be extended by the total period of all such delays. Nothing contained in this section shall require the applicable Party to settle any industrial dispute or to test the constitutionality of any enacted Law.

11. AREA OF INTEREST UNDER SECONDARY OPTION

11.1 **Area of Interest under Secondary Option.** During the period commencing on the date of this Agreement and terminating on the date of the execution and delivery of the Joint Venture Agreement (provided that the Secondary Option is exercised) there shall be an Area of Interest. If either Duncan Park or Sphere directly or indirectly stakes or acquires any surface or water rights or mineral properties within the Area of Interest, it will offer to have those rights or property included in this Agreement in respect of the Secondary Option. Duncan Park and Sphere shall consult with each other prior to making any acquisitions of lands held by third Persons within the Area of Interest. The other Party shall have 20 days to elect whether to accept the said offer and, where appropriate, pay its share of the costs of acquisition (on the basis that the Back In Right is exercised by Sphere), in which case such rights shall be deemed to become part of the Property; failing which election and payment, the acquiring Party may retain the rights or properties so acquired free of the terms of this Agreement. This section shall not restrict the rights of either Duncan Park or Sphere to acquire surface or water rights or mineral properties outside the Area of Interest nor shall it apply to rights or interests in surface or water rights or mineral properties that may be acquired incidental to the other Party's *bona fide* direct or indirect merger with or acquisition of a third Person holding a right or interest within the Area of Interest during the period commencing on the date of this Agreement and terminating on the date of the execution and delivery of the Joint Venture Agreement (provided that the Secondary Option is exercised). If the Secondary Option terminates (without exercise) any rights or property acquired pursuant to the operation of this Area of Interest provision shall remain the property of Sphere and this Area of Interest clause shall terminate immediately with respect to the obligations of each of the Parties.

12. JOINT VENTURE AGREEMENT

12.1 **Formation of Joint Venture.** Each of Duncan Park and Sphere agree to negotiate in good faith and use their reasonable best efforts to execute and deliver a joint venture agreement (the "**Joint Venture Agreement**"), if applicable, within 60 days of Sphere's exercise of the Back-in Right. The Joint Venture Agreement will be substantially in the form of and on the terms of Rocky Mountain Mineral Law Foundation Form 5A—Exploration, Development, and Mine Operating Agreement. For greater certainty and without limitation, such agreement shall contain provisions with respect to *pro rata* contributions to Expenditures, dilution, reversion to a net smelter return royalty on dilution of a participating interest to below 10%, voting by way of extraordinary resolution, constitution of a management committee, appointment of the Operator as the Party with the largest Participating Interest and restrictions on transfer and applicable rights of first refusal. In the event that Sphere has not exercised the Back-In Right by the end of the Back-In Period, then Duncan Park shall be entitled to register the Property in the name of Duncan Park.

13. TRANSFERS

13.1 **Transfer - Affiliates.** During the Secondary Option Period, Sphere and Duncan Park shall be entitled to transfer all (but not less than all) of their interest in the Property and this Agreement to an Affiliate upon 15 days' prior written notice to the other Party. If such Affiliate ceases to be an Affiliate of the Party during the Secondary Option Period, such interest must be forthwith re-transferred to the Party. In any event, the transferor shall remain bound by this Agreement as the guarantor of the obligations of any such Affiliate.

14. RELATIONSHIP AND OTHER OPPORTUNITIES - GENERAL

14.1 **Relationship of Parties.** The rights, privileges, duties, obligations and liabilities, as among the Parties shall be separate and not joint or collective and nothing herein contained shall be construed as creating a partnership, an association, agency or, subject as herein specifically provided, a trust of any kind or as imposing upon any of the Parties any partnership duty, obligation or liability. No Party is liable for the acts, covenants and agreements of the other Parties, except as herein specifically provided.

14.2 **Other Opportunities.** Each of the Parties shall have the free and unrestricted right independently to engage in and receive the full benefits of any and all business endeavours of any sort whatsoever whether or not competitive with the endeavours contemplated herein without consulting the other Party or inviting or allowing the other Party to participate therein. None of the Parties shall be under any fiduciary or other duty to the other Parties which shall prevent it from engaging in or enjoying the benefits of competing endeavours within the general scope of endeavours contemplated by this Agreement. The legal doctrine of "corporate opportunity" sometimes applied to persons engaged in a joint venture or having fiduciary status shall not apply in the case of a Party.

15. CONFIDENTIALITY

15.1 **Confidentiality.** No disclosure or announcement, public or otherwise, in respect of this Agreement or the transaction herein contained shall be made by a Party without the prior written consent of the other Party as to timing and content, provided that the obligations herein will not prevent a Party from making, after consultation with the other Parties, if practical, such disclosure as its counsel may advise is required by applicable law or the rules and policies of any securities regulatory authority or stock exchange having jurisdiction or potential jurisdiction.

16. NOTICE - GENERAL

16.1 **Notices.** All notices, requests, demands or other communications which by the terms hereof are permitted to be given by a Party to the other Parties shall be given in writing by personal delivery or fax, addressed to such other Parties or delivered to such other Parties as follows:

(i) to Camp McMan at:

P.O. Box 248
Balmertown, ON P0V 1C0

Attention: J.A. Green
Telefax: (807) 727-2282

(ii) to Sphere at:

Level 16
114 William Street
Melbourne 3000
Victoria, Australia

Attention: Malcolm L. Stevens
Telefax No: +61396 02 3554

(iii) to Duncan Park at:

372 Bay Street
Suite 406
Toronto, ON M5H 2W9

Attention: Ian McAvity
Telefax No: (416) 364-7256

or at such other addresses and to such other Person that may be given by any of them to the others in writing from time to time on ten days' prior written notice and such notices, requests, demands or other communications shall be deemed to have been received when delivered.

17. MISCELLANEOUS - GENERAL

17.1 **Acts in Good Faith.** Each Party shall at all times during the currency of this Agreement, and after the termination of the Primary Option and Secondary Option, act in good faith with respect to the other Parties and shall do or cause to be done all things within their respective powers which may be necessary or desirable to give full effect to the provisions hereof.

17.2 Arbitration.

(a) If there is a dispute between any two Parties with respect to this Agreement, or the interpretation of this Agreement, the Parties shall, firstly, be obligated to use best efforts to reconcile and settle each and every dispute. In the event that a settlement or agreement cannot be reached between the Parties, the aggrieved Party (the “**Claimant**”) shall, pursuant to section 16.1 herein, deliver a notice of arbitration (the “**Notice Of Arbitration**”) to the other Party (the “**Respondent**”) detailing the nature of the dispute, the facts and the relevant evidence. Within seven days of the Respondent receiving the Notice of Arbitration, each of the Claimant and the Respondent shall appoint a nominee. The two nominees so appointed shall, within 21 days of the date of the Notice of Arbitration, in turn select a single arbitrator (the “**Arbitrator**”) to settle all matters arising from the dispute. In the event that either the Claimant or Respondent fail to appoint a nominee with the prescribed period, or their selected nominees fail to appoint the Arbitrator within the prescribed period, the Party in default of the time provisions shall automatically accept the arbitrator selected by the Party not in default as being the Arbitrator to settle all matters arising from the dispute.

(b) The Claimant shall deposit with the Arbitrator a full and complete formal statement of claim, which shall not be subject to amendment at any time during the arbitration process unless otherwise permitted by the Arbitrator, within 30 days of the date that the Arbitrator was selected. Neither the Claimant nor the Respondent shall announce publicly the alleged claims or dispute until such time as a formal statement of claim has been deposited with the Arbitrator.

(c) Each of the Claimant and the Respondent shall jointly instruct the Arbitrator to create an arbitration protocol in a timely manner dealing with the timing and procedures (including security for costs) of all matters that are subject to the dispute, taking into consideration: (i) the fact that any of the Claimant, the Respondent, or their respective Affiliates may be reporting issuers, as that term is described in applicable securities legislation, and (ii) the seasonality of the mining operations and what correlative effects the process may have on logistics.

(d) The award made by the Arbitrator shall be final and binding upon the Parties and shall in all respects be kept and observed. The Arbitrator shall have the authority to award and direct that the Parties, or either of them, execute and deliver such releases, conveyances, deeds, assurances and other documents as the Arbitrator thinks fit, and these releases, conveyances, deeds, assurances and other documents shall be executed and delivered accordingly.

(e) Subject to the provisions of this section, all costs of the arbitral proceedings shall be in the discretion of the Arbitrator who may direct to and by whom, and in what manner (including allocation between the Parties) the costs or any part of them shall be paid, it being the intention of the Parties that the first principle in the exercise of the Arbitrator’s discretion shall be that the costs of the arbitral proceedings shall follow the event of the award. The costs of the arbitral proceedings and the award shall include, but not be limited to, the sum of: (i) the Arbitrator’s fees and applicable taxes; (ii) all

actual, reasonable legal fees and disbursements of the Arbitrator and the parties to the dispute; and (iii) a sum equal to the product of \$200 multiplied by the number of days in the period commencing on the date that is 90 days prior to the date of the arbitral hearing (or trial) and ending on the last date of such hearing or trial.

(f) The Arbitrator may proceed *ex parte* in case any Party, or any of its witnesses, shall at any time neglect or refuse to attend the arbitration proceedings after seven days' notice in writing under the hand of the Arbitrator given to each Party or to the Parties' solicitor, unless the Party, prior to the time fixed to attend, presents to the Arbitrator what the Arbitrator considers sufficient cause for failure to attend.

(g) The Arbitrator must be a resident of the Province of Ontario and a practising notary, lawyer, chartered accountant or university professor in the Province of Ontario or a retired justice of any of the courts of Ontario. Despite the foregoing, an Arbitrator resident outside of the jurisdiction of the Province of Ontario may be selected pursuant to section 17.2(a) if agreed to in writing by the Claimant and the Respondent.

(h) Any award made by the Arbitrator may, at the instance of either of the Parties to the dispute and without notice to the other of them, be made an Order of the Superior Court of Ontario.

17.3 **Severability.** Any provision of this Agreement which is invalid or unenforceable shall not affect any other provision and shall be deemed to be severable herefrom.

17.4 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

17.5 **Further Assurances.** The Parties shall sign such further and other documents and do such further acts or things as may be necessary or desirable in order to give full force and effect to this Agreement and every part hereof, including for greater certainty and without limitation, any and all powers of attorney and documents as counsel for Duncan Park shall deem necessary to deal with ongoing title and operational matters with respect to the Property during the Secondary Option Period and any and all public deeds and documents as counsel for Duncan Park shall deem necessary to effect a registration of a short form notice of this Agreement against the Property to constitute notice to third Persons, on terms and conditions satisfactory to the Parties.

17.8 **Amendment.** This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties.

17.9 **Entire Agreement.** This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes the Letter Agreements. The execution of this Agreement has not been induced by any Party nor do the Parties rely upon or regard as material any covenants, representations or warranties whatsoever not incorporated herein and made a part hereof.

17.10 **Enurement**. This Agreement shall enure to the benefit of and be binding upon the Parties and each of their successors and permitted assigns, but no other Person.

17.11 **Counterparts**. This Agreement may be executed in several counterparts by original or telefacsimile signature, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same document.

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

CAMP MCMAN RED LAKE GOLD MINES LTD.

Per: "J.A. Green"

Name: J.A. Green

Title: President

SPHERE RESOURCES INC.

Per: "Malcolm L. Stevens"

Name: Malcolm L. Stevens

Title: Executive Chairman & CEO

DUNCAN PARK HOLDINGS CORPORATION

Per: "Ian McAvity"

Name: Ian McAvity

Title: President & CEO

SCHEDULE "A"

DESCRIPTION OF PROPERTY (All in Dome Township)

License #	Description	Hectares	Annual tax	Annual Rent
Mining Claims				
	Claim K-1487 Part Parcel 5830-Pat-1	3.602	14.41	
	Claim K-1503 Part Parcel 5830-Pat-2	0.405	1.62	
	Claim K-1581 Parcel 5830-Pat-5	27.883	111.53	
	Claim K-1582 Part Parcel 5830 Pat 6	18.486	73.94	
	Claim K-1583 Parcel 5830-Pat-7	16.349	65.4	
	Claim K-1584 Part Parcel 5830-Pat-8	3.157	13.63	
	Claim K-1593 Part Parcel 5830-Pat-1	10.552	42.09	
	Claim K-1594 Part Parcel 5830-Pat-1	6.884	27.54	
	Claim K-1596Part Parcel 5830-Pat-1	9.381	37.52	
	Claim K-1597 Part Parcel 5830-Pat-1	8.417	33.67	
	Claim K-1600 part Parcel 5830-Pat-16	19.769	79.08	
	Claim K-1601 Parcel 5830-Pat-17	13.557	54.23	
	Claim K-1579 Parcel 5830-Pat-3	13.958	55.83	
	Claim K-1580 Parcel 5830-Pat-4	16.629	66.52	
	Pt Claim K 1592 Parcel 5830DP	14.888	59.55	
	Claim K-1595 Part Parcel5830-Pat-1	13.237	52.95	
	Claim K-1599 Parcll 5830-Pat-15	16.701	66.8	
Licenses of Occupation				
2769	KRL2469	4.382		21.71
2770	K1503	13.962		69.81
2772	K1487	9.551		47.76
10001	PT K1582	5.585		27.93
10002	K1584	10.36		51.8
10003	K1593	12.667		63.34
10004	K1594	8.579		42.9
10006	K1596	9.308		46.54
10007	K1597	10.684		53.42
10008	K1598	16.187		80.94
10005	PT K1595	9.065		45.33
		324.185	856.31	551.48

SCHEDULE "B"

DEFINITIONS

1. DEFINITIONS

1.1 **Definitions.** In this Agreement the defined terms shall have the meanings ascribed thereto.

"**this Agreement**", "**herein**", "**hereby**", "**hereof**", "**hereunder**" and similar expressions shall mean or refer to this Agreement and any and all agreements or instruments supplemental or ancillary hereto and the expression "**section**" or "**Section**" followed by a number means and refers to the specified section or subsection of this Agreement.

"**Affiliate**" shall mean any person, partnership, joint venture, corporation or other form of enterprise which directly or indirectly Controls, is controlled by or is under common Control with a Party.

"**Agents**" shall mean servants, employees, agents, workmen, consultants and contractors.

"**Annual Budget**" shall have the meaning set forth in section 7.1.

"**Area of Interest**" shall mean an area of three kilometres around the outer-most boundaries of the Property as comprised on the Effective Date.

"**Arbitrator**" shall have the meaning set forth in section 17.2(a).

"**Back-In Period**" shall have the meaning set forth in the definition of Back-In Right.

"**Back-In Right**" shall mean the right of Sphere to re-acquire from Duncan Park a 51% undivided interest in the Property, which right may be exercised by written notice delivered by Sphere to Duncan Park within a period of 30 days following the Option Earn-In Date (the "**Back-In Period**") in consideration for a sum (with payment to be made within a further period of 30 days) payable in cash in an amount equal to four times Duncan Park's Expenditures in respect of the Property (except for such Expenditures that are specifically excluded in this Agreement for the purpose of this calculation or where the exclusion of certain Expenditures is otherwise agreed to in writing by Duncan Park) together with Option Payments paid by Duncan Park pursuant to this Agreement.

"**Budget**" shall mean a budget prepared by the Operator pertaining to a Program. For greater certainty and without limitation, each Budget shall allow for Canadian HST and include a contingency for amounts related to necessary reclamation work as a result of Mining Operations. A Budget shall not provide for Expenditures in excess of amounts which Duncan Park is required or has agreed in writing to fund.

"**Claimant**" shall have the meaning set forth in section 17.2(a).

"**Conditions**" for the purposes of the definition of "**Effective Date**" shall mean the following:

(i) Duncan Park shall be satisfied, in its sole discretion, with the results of its due diligence investigations as against the Property;

(ii) Duncan Park shall have received proof to its satisfaction that Camp McMan is the registered or recorded and beneficial owner of the Property;

(iii) Duncan Park shall have received requisite regulatory and other approvals to the execution, delivery and performance of this Agreement (the "**Duncan Park Approvals**") by May 15, 2011 or such other date as the Parties may agree (the "**Approval Deadline Date**"), provided that, if Duncan Park does not receive the Duncan Park Approvals by the Approval Deadline Date, the Primary Option shall continue; and

(iv) Sphere shall have received requisite regulatory and other approvals to the execution, delivery and performance of this Agreement (the "**Sphere Approvals**") by the Approval Deadline Date, provided that if Sphere does not receive the Sphere Approvals by the Approval Deadline Date (and the Conditions set out in (i), (ii) and (iii) are satisfied or waived by Duncan Park), the Secondary Option shall continue and Duncan Park shall have the right to assume Sphere's rights under the Primary Option;

"**Control**" shall mean possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust or otherwise.

"**Duncan Park Shares**" means the common shares of Duncan Park, as constituted as of the date hereof.

"**Effective Date**" shall mean the date which is not later than five business days after the last of the Conditions has been satisfied (such date to be as mutually agreed to by Duncan Park and Sphere) provided that if such date does not occur on or before that date which is 60 days from the date of this Agreement, as the same may be extended by mutual agreement of Duncan Park and Sphere, then the Secondary Option shall be at an end and of no further force and effect; except that, if all the Conditions are satisfied other than (i) Sphere receiving the Sphere Approvals, then the Secondary Option shall continue and Duncan Park shall have the right to assume Sphere's rights under the Primary Option, and (ii) Duncan Park receiving the Duncan Park Approvals, the Primary Option shall continue.

"**Encumbrances**" shall mean any and all mortgages, pledges, security interests, liens, charges, encumbrances, prohibitions, options, promises and other contractual obligations and claims of others, recorded and unrecorded, registered and unregistered.

"**Event of Force Majeure**" shall have the meaning set forth in section 10.1.

"Expenditures" shall mean Work Costs plus all legal fees, property rent and taxes, option payments (excluding any issuances of Sphere Shares or Duncan Park Shares under this Agreement) and acquisition payments spent or incurred directly or indirectly with respect to the exploration and/or development of the Property.

"Function" shall mean a Program and Budget activity for which no Supplier has yet been identified.

"General Contractor" shall mean such party that may be mutually acceptable to Sphere and Duncan Park and that may be appointed by Sphere to act as general contractor.

"Government or Regulatory Authority" shall mean any federal, provincial, regional, municipal or other government, governmental department, regulatory authority, commission, board, bureau, agency or instrumentality that has lawful authority to regulate or administer or govern a business or property or affairs of any person, and for the purposes of this Agreement also includes any corporation or other entity owned or controlled by any of the foregoing and any stock exchange on which shares of a Party are listed for trading.

"Joint Venture" shall mean the joint venture constituted by the Participants.

"Joint Venture Agreement" shall have the meaning set forth in section 12.1.

"Laws" shall mean collectively, all federal, provincial, territorial, municipal or local statutes, regulations and by-laws applicable to the Parties or the Property or to any activities thereon, including without limitation, all orders, notices, rules, decrees, decisions, codes, guidelines, policies, directions, permits, approvals, licenses and similar authorizations issued, rendered or imposed by any level of government including any ministry, department or administrative or Regulatory Authority or agency.

"Letter Agreements" shall have the meaning set forth in the preambles to this Agreement.

"Losses" shall mean actual losses, liabilities, damages, injuries, costs or expenses.

"Mining Operations" shall mean every kind of work done on or in respect of the Property or the products derived therefrom and includes, without limitation, work of assessment, geophysical, geochemical and geological surveys, studies and mapping, assaying and metallurgical testing, investigating, drilling, designing, examining, equipping, improving, surveying, shaft-sinking, raising, crosscutting and drifting, searching for, digging, trucking, sampling, working and procuring minerals, ores and concentrates, bringing any mining claims to lease, reclamation and in doing all work usually considered to be prospecting, exploration, development and mining work; in paying wages and salaries of persons engaged in such work and in supplying food, lodging, transportation and other reasonable needs of such persons; in paying insurance premiums and assessments or premiums for workers' compensation insurance, contributions for unemployment insurance or other pay allowances or

benefits customarily paid in the district to such persons; in paying rentals, licence renewal fees, taxes and other governmental charges required to keep the Property in good standing; in purchasing or renting plant, buildings, machinery, tools, appliances, equipment or supplies and in installing, erecting, detaching and removing the same or any of them; and in the management of any work which may be done on the Property for the due carrying out of such prospecting, exploration, development and mining work.

"Notice of Arbitration" shall have the meaning set forth in section 17.2(a).

"NSR" shall have the meaning set forth in Schedule "D";

"Operator" shall have the meaning set forth in section 6.1.

"Primary Option" shall have the meaning set forth in the preambles to this Agreement.

"Option Earn-In Date" shall have the meaning set forth in section 4.1.

"Participant" shall mean the Parties that hold Participating Interests.

"Participating Interest" shall mean an undivided participating interest in the Joint Venture.

"Parties" shall mean Camp McMan, Sphere and Duncan Park.

"Party" shall mean Camp McMan, Sphere or Duncan Park.

"Person" shall mean any individual, partnership, company, corporation, unincorporated association, person, government or governmental agency, authority or entity howsoever designated or constituted.

"Primary Option" shall have the meaning set forth in the preambles to this Agreement.

"Primary Option Period" shall mean the period during which the Primary Option is in full force and effect as provided herein.

"Program and Budget" shall mean a program of Mining Operations prepared by the Operator as well as a budget in connection with Expenditures to be made with respect thereto.

"Property" shall have the meaning ascribed thereto in the preambles to this Agreement.

"Respondent" shall have the meaning set forth in section 17.2(a).

"Secondary Option" shall have the meaning set forth in the preambles to this Agreement.

"Secondary Option Period" shall mean the period during which the Secondary Option is in full force and effect as provided herein.

"Sphere Shares" means the common shares of Sphere, as constituted as of the date hereof.

"Supplier" shall mean the contractor and any Person engaged by the Operator to conduct activities related to a Program.

"Technical Committee" shall have the meaning set forth in section 6.2.

"Termination Notice" shall have the meaning set forth in section 9.2.

"transfer" when used as a verb, shall mean to sell, grant, assign, encumber, pledge or otherwise commit or dispose of, directly or indirectly, including through mergers, consolidations or asset purchases. When used as noun, **"transfer"** shall mean a sale, grant, assignment, pledge or disposal or the commitment to do any of the foregoing, directly or indirectly, including through mergers, consolidations or asset purchases.

"Work Costs" shall mean all expenses, obligations and liabilities of whatever kind or nature spent or incurred directly or indirectly with respect to the exploration and/or development of the Property, including without limitation, moneys expended in maintaining the Property in good standing, including without limitation, to the extent applicable, mining licences and taxes, expenditures incurred in connection with the preparation of National Instrument 43-101 compliant technical reports as well as all other studies with respect to the Property, expenses paid for or incurred in connection with any program of surface or underground prospecting, exploring, geological, geophysical and geochemical surveying, diamond drilling and drifting, raising and other underground work, assaying and metallurgical testing, environmental studies, submissions to government agencies with respect to production permits, moneys expended in acquiring or constructing facilities and in developing the Property, and all salaries and benefits paid to, and field costs incurred by, employees and consultants with respect to the Property.

SCHEDULE "C"

REPRESENTATIONS AND WARRANTIES

1. **Mutual Representations and Warranties of the Parties.** Camp McMan represents and warrants to Sphere and to Duncan Park, and Sphere represents and warrants to Camp McMan and Duncan Park, and Duncan Park represents to Camp McMan and to Sphere as follows and each Party acknowledges that each other Party is relying on such representations and warranties in entering into this Agreement and that such representations and warranties shall be true and correct as of the date hereof and as of the Effective Date with the same force and effect as if made on and as of such date:

(a) **Due Incorporation.** It is a corporate body duly incorporated and organized and validly subsisting under the laws of its organizational jurisdiction.

(b) **Power and Authority.** It has full power and authority to carry on its business and to enter into this Agreement, subject to the receipt of requisite regulatory approval to be obtained by each of the Parties.

(c) **No Breach or Conflict of any Agreement.** Neither the execution and delivery of this Agreement nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party.

(d) **No Breach of Laws.** The execution and delivery of this Agreement do not violate or result in a breach of the laws of any jurisdiction applicable to the Party or pertaining thereto or of its organizational documents.

(e) **Corporate Authorizations.** All corporate authorizations have been obtained for the execution and delivery of this Agreement and for the performance of its obligations hereunder.

(f) **Valid and Binding Agreement.** This Agreement constitutes a legal, valid and binding obligation of the Party enforceable against it in accordance with its terms subject to the usual qualifications with respect to bankruptcy and the availability of equitable remedies being within the discretion of a court.

(g) **No Bankruptcy Proceedings.** No proceedings are pending for and such Party is not aware of any basis for the institution of any proceedings leading to the dissolution or winding up of such Party or the placing of such Party into bankruptcy or subjecting such Party to any other laws governing the affairs of insolvent persons.

(h) **No Suits or Actions.** There are not any suits, actions, prosecutions, investigations or proceedings, actual, pending or to the best of such Party's knowledge, threatened against or affecting such Party or that relates to or has an adverse effect on the Property.

(i) **Brokerage or Finder's Fee.** There is no Person acting or purporting to act at the request of the Party who is entitled to any brokerage or finder's fee in connection with the transactions contemplated herein, except for such finder's fees that are payable by Sphere to a third party, subject to regulatory approval.

2. **Representation and Warranties of Camp McMan.** Camp McMan hereby represents and warrants to Sphere and Duncan Park as follows and acknowledges that Sphere and Duncan Park are relying on such representations and warranties in entering into this Agreement and that such representations and warranties are true and correct as of the date hereof and shall be true and correct as of the Effective Date with the same force and effect as if made on and as of such date:

(a) **Interest.** The description of the Property set forth herein is true and correct. Camp McMan is the beneficial owner of a 100% undivided interest in the Property, free and clear of any and all Encumbrances. Camp McMan has the full power to hold its interest in the Property and to hold registered title to the Property. The Property is in good standing pursuant to all applicable Laws. Camp McMan is in exclusive possession of the Property. In addition, subject to Section 2.10(a), Camp McMan has the full power to hold and transfer the surface rights over the Property that it holds and to transfer to Sphere the residue of the surface rights over the Property, as held by Camp McMan, at such time as Sphere has earned its 100% interest in the Property pursuant to this Agreement.

(b) **Property in Good Standing.** The mining claims forming part of the Property are in good standing and no event, condition or occurrence exists that, after notice or lapse of time or both, would constitute a default under such mining claims.

(c) **Properly Staked.** Each mining concession forming part of the Property: (i) has been properly acquired, following the legal procedures established by applicable Laws; and (ii) located and recorded in accordance with applicable Laws.

(d) **Adverse Claims.** Other than as set forth in this Agreement, there are no outstanding agreements, promises to sell or transfer or options to acquire or purchase the Property or any portion thereof, no Person has any royalty or other interest whatsoever in production therefrom, and Camp McMan has no current knowledge of any actual, alleged, potential or future proceeding, adverse claim or challenge (including without limitation, any aboriginal, native or indigenous claim) against or to the ownership of or title to the Property or any portion thereof or the mineral rights therein nor, to the best knowledge of Camp McMan, is there any basis therefor.

(e) **No Notice.** Camp McMan has not received notice and Camp McMan has no knowledge of any proposal to terminate or vary the terms of or rights attaching to the Property from any court, Government or Regulatory Authority or of any challenge to Camp McMan's right, title or interest in the Property.

(f) **Environmental and Other Matters.** There are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures

with respect to the Property or the conduct of the business related thereto, nor have any activities on the Property been in violation of any material environmental law, regulations or regulatory prohibition or order. Conditions on and relating to the Property are in material compliance with such laws, regulations, prohibitions and orders.

(g) **No Protected Area.** No portion of the Property lies within any protected area, rescued area, reserve, aboriginal burial ground, reservation or special needs lands as designated by any governmental authority having jurisdiction that would impair the development of a mining project on such land. As a result of activities of Camp McMan and, to the best knowledge of Camp McMan, there has been no material spill, discharge, leak, emission, ejection, escape, dumping or any release or threatened release of any kind of any toxic or hazardous substance or waste (as defined by applicable law) from, on, in or under the Property or into the environment, except releases permitted or otherwise authorized by such law. No toxic or hazardous substance or waste has been disposed of or is located on the Property. No toxic or hazardous substance or waste has been treated on or is now stored on the Property by or on behalf of Camp McMan or its Agents.

(h) **Taxes, Charges and Assessments.** All taxes, tariffs, licenses and charges with respect to the Property have been paid in full as of the date hereof. All requisite minimum assessment work has been performed and reported on the Property up to and including the date hereof, sufficient to enable the Property to be in good standing until at least that date that is three months from the Effective Date.

(i) **Compliance with Laws.** Camp McMan, has complied with all Laws with respect to the Property and Camp McMan has not received notice of any breach, violation or default with respect to the Property. Conditions on and relating to the Property are in compliance with all applicable Laws.

(j) **Non-Resident.** Camp McMan is not a non-resident of Canada for the purposes of section 116 of the *Income Tax Act* (Canada) as amended and to the extent that the Canada Revenue Agency determines otherwise, Camp McMan shall indemnify Sphere and Duncan Park for any and all taxes due or to be remitted by Sphere and Duncan Park as a result of such determination.

(k) **Mining Practices.** The prospecting work, processes, undertaking and other operations carried on or conducted by or on behalf of Camp McMan in respect of the Property have been carried on or conducted in a sound and workmanlike manner and in compliance with sound geological and geophysical exploration and mining, engineering and metallurgical practices. All such work, processes, undertaking and other operations are in compliance with all applicable national, provincial and local laws, by-laws, ordinances, permits, rules, regulations and orders or decisions rendered by any Government or Regulatory Authority.

(l) **No Condemnation.** Camp McMan has not received notice of the existence of condemnation, expropriation or similar proceedings affecting the Property.

(m) **No Liabilities.** During the Primary Option Period and the Secondary Option Period, Camp McMan shall take all actions and do all things necessary or desirable to ensure that: (i) no liabilities are incurred on the Property other than with the express written consent of Duncan Park and Sphere; and (ii) the Property remains free and clear of all Encumbrances whatsoever.

(n) **No Preferential Rights.** No Person has any agreement, option or right under preferential, pre-emptive or first purchase rights or otherwise to acquire any interest in the Property that might be triggered by virtue of this Agreement or the transactions contemplated hereby.

(o) **All Material Information.** Camp McMan has made available to Duncan Park and Sphere all material information in its possession or under its control relating to the Property and, throughout the Primary Option Period and Secondary Option Period, Camp McMan shall continue to make available to Duncan Park and Sphere all material information in its possession or control relating to the Property.

(p) **No Violation.** Neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by Camp McMan will result in the violation of any agreement or other instrument to which Camp McMan is a party or by which Camp McMan is bound, or any applicable law, rule or regulation.

3. **Representation and Warranties of Sphere.** Sphere hereby represents and warrants to Duncan Park as follows and acknowledges that Duncan Park is relying on such representations and warranties in entering into this Agreement and that such representations and warranties are true and correct as of the date hereof and shall be true and correct as of the Effective Date with the same force and effect as if made on and as of such date, and Sphere hereby represents and warrants to Camp McMan the matters in Sections 3(a), (k), (q), (r) and (s) below and acknowledges that Camp McMan is relying on such representations and warranties in entering into this Agreement and that such representations and warranties are true and correct as of the date hereof and shall be true and correct as of the Effective Date with the same force and effect as if made on and as of such date:

(a) **Sphere Shares.** Upon issuance, any Sphere Shares to be issued pursuant to this Agreement shall be fully paid and non-assessable.

(b) **Interest.** The description of the Property set forth herein is true and correct. Camp McMan is the beneficial owner of a 100% undivided interest in the Property, free and clear of any and all Encumbrances. To the best of Sphere's knowledge, Camp McMan has the full power to hold its interest in the Property and to hold registered title to the Property. The Property is in good standing pursuant to all applicable Laws. Camp McMan is in exclusive possession of the Property.

(c) **Property in Good Standing.** The mining claims forming part of the Property are in good standing and no event, condition or occurrence exists that, after notice or lapse of time or both, would constitute a default under such mining claims.

(d) **Properly Staked.** Each mining concession forming part of the Property: (i) has been properly acquired, following the legal procedures established by applicable Laws; and (ii) located and recorded in accordance with applicable Laws.

(e) **Adverse Claims.** Other than as set forth in this Agreement, there are no outstanding agreements, promises to sell or transfer or options to acquire or purchase the Property or any portion thereof, no Person has any royalty or other interest whatsoever in production therefrom, and Sphere has no current knowledge of any actual, alleged, potential or future proceeding, adverse claim or challenge (including without limitation, any aboriginal, native or indigenous claim) against or to the ownership of or title to the Property or any portion thereof or the mineral rights therein nor, to the best knowledge of Sphere, is there any basis therefor.

(f) **No Notice.** Neither Sphere nor to Sphere's knowledge, Camp McMan, has received notice and Sphere has no knowledge of any proposal to terminate or vary the terms of or rights attaching to the Property from any court, government or other regulatory authority or of any challenge to Camp McMan's right, title or interest in the Property.

(g) **Environmental and Other Matters.** There are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Property or the conduct of the business related thereto, nor to the best knowledge of Sphere have any activities on the Property been in violation of any material environmental law, regulations or regulatory prohibition or order. Conditions on and relating to the Property are in material compliance with such laws, regulations, prohibitions and orders.

(h) **No Protected Area.** No portion of the Property lies within any protected area, rescued area, reserve, aboriginal burial ground, reservation or special needs lands as designated by any governmental authority having jurisdiction that would impair the development of a mining project on such land. As a result of activities of Sphere and to the best knowledge of Sphere, there has been no material spill, discharge, leak, emission, ejection, escape, dumping or any release or threatened release of any kind of any toxic or hazardous substance or waste (as defined by applicable law) from, on, in or under the Property or into the environment, except releases permitted or otherwise authorized by such law. To the best knowledge of Sphere, no toxic or hazardous substance or waste has been disposed of or is located on the Property. To the best knowledge of Sphere, no toxic or hazardous substance or waste has been treated on or is now stored on the Property by or on behalf of Sphere, Camp McMan or their respective Agents.

(i) **Taxes, Charges and Assessments.** All taxes, tariffs, licenses and charges with respect to the Property have been paid in full as of the date hereof. All requisite minimum assessment work has been performed and reported on the Property up to and including the date hereof, sufficient to enable the Property to be in good standing until at least that date that is three months from the Effective Date.

(j) **Compliance with Laws.** Sphere and to the knowledge of Sphere, Camp McMan, has complied with all Laws with respect to the Property and neither Sphere or Camp McMan has received notice of any breach, violation or default with respect to the Property. Conditions on and relating to the Property are in compliance with all applicable Laws.

(k) **Non-Resident.** Sphere is not a non-resident of Canada for the purposes of section 116 of the *Income Tax Act* (Canada) as amended and to the extent that the Canada Revenue Agency determines otherwise, Sphere shall indemnify Duncan Park for any and all taxes due or to be remitted by Duncan Park, as a result of such determination.

(l) **Mining Practices.** The prospecting work, processes, undertaking and other operations carried on or conducted by or on behalf of Sphere and, to the best of Sphere's knowledge, Camp McMan in respect of the Property have been carried on or conducted in a sound and workmanlike manner and in compliance with sound geological and geophysical exploration and mining, engineering and metallurgical practices. To the best of Sphere's knowledge, all such work, processes, undertaking and other operations are in compliance with all applicable national, provincial and local laws, by-laws, ordinances, permits, rules, regulations and orders or decisions rendered by any governmental or quasi-governmental ministry, department or administrative or regulatory agency.

(m) **No Condemnation.** Neither Sphere or, to the best of Sphere's knowledge, Camp McMan has not received notice of the existence of condemnation, expropriation or similar proceedings affecting the Property.

(n) **No Liabilities.** During the Primary Option Period and the Secondary Option Period, Sphere shall take all actions and do all things necessary or desirable to ensure that: (i) no liabilities are incurred on the Property other than with the express written consent of Duncan Park; and (ii) the Property remains free and clear of all Encumbrances whatsoever.

(o) **No Preferential Rights.** No Person has any agreement, option or right under preferential, pre-emptive or first purchase rights or otherwise to acquire any interest in the Property that might be triggered by virtue of this Agreement or the transactions contemplated hereby.

(p) **All Material Information.** Sphere has made available to Duncan Park all material information in its possession or under its control relating to the Property and throughout the Primary Option Period and Secondary Option Periods, Sphere shall continue to make available to Duncan Park all material information in its possession or control relating to the Property.

(q) **No Violation.** Neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by Sphere will result in the

violation of any agreement or other instrument to which Sphere is a party or by which Sphere is bound, or any applicable law, rule or regulation.

(r) **Public Documents**. Sphere has, in accordance with applicable Laws, filed with Canadian securities regulators, as applicable, true and complete copies of all forms, reports, schedules, statements, material change reports, circulars, press releases, disclosures relating to options and other stock based incentive plans, prospectuses, other offering documents and all other documents required to be filed by it with Canadian securities regulators, as applicable, since January 1, 2006 (such forms, reports, schedules, statements and other documents, including any financial statements or other documents, including any schedules included therein, are referred to herein as the “**Sphere Public Documents**”). The Sphere Public Documents: (i) at the time filed did not, (ii) as of the date hereof (taken as a whole after giving effect to all filings made prior to the date hereof), do not, and (iii) as of the Effective Date (taken as a whole after giving effect to all filings made prior to the Effective Date) will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(s) **Canadian Securities Law**. None of the Canadian securities regulators or any similar authority or court of competent jurisdiction or any other Government or Regulatory Authority has issued or has threatened to issue any order preventing or suspending trading in any securities of Sphere which is currently in effect.

4. **Representations and Warranties of Duncan Park**. Duncan Park hereby represents and warrants to Sphere and Camp McMan as follows and acknowledges that Sphere and Camp McMan are relying on such representations and warranties in entering into this Agreement and that such representations and warranties shall be true and correct as of the date hereof and shall be true and correct as of the Effective Date with the same force and effect as if made on and as of such date:

(a) **Duncan Park Shares**. Upon issuance, any Duncan Park Shares to be issued pursuant to this Agreement shall be fully paid and non-assessable.

(b) **No Violation**. Neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by Duncan Park will result in the violation of any agreement or other instrument to which Duncan Park is a party or by which Duncan Park is bound, or any applicable law, rule or regulation.

(c) **Public Documents**. Duncan Park has, in accordance with applicable Laws, filed with Canadian securities regulators, as applicable, true and complete copies of all forms, reports, schedules, statements, material change reports, circulars, press releases, disclosures relating to options and other stock based incentive plans, prospectuses, other offering documents and all other documents required to be filed by it with Canadian securities regulators, as applicable, since January 1, 2006 (such forms, reports, schedules, statements and other documents, including any financial statements or other documents, including any schedules included therein, are referred to herein as

the “**Duncan Park Public Documents**”). The Duncan Park Public Documents: (i) at the time filed did not, (ii) as of the date hereof (taken as a whole after giving effect to all filings made prior to the date hereof), do not, and (iii) as of the Effective Date (taken as a whole after giving effect to all filings made prior to the Effective Date) will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(d) **Canadian Securities Law.** None of the Canadian securities regulators or any similar authority or court of competent jurisdiction or any other Government or Regulatory Authority has issued or has threatened to issue any order preventing or suspending trading in any securities of Duncan Park which is currently in effect.

SCHEDULE "D"

NET SMELTER RETURNS

"NSR" means net smelter returns royalty interest of Camp McMan, which shall be calculated on the basis of actual proceeds received by Sphere from any mint, smelter or other purchase in connection with the sale of bullion or concentrates produced from the Property and sold, after deducting from such proceeds the following charges to the extent that they are not deducted by the purchaser in computing payment:

- (a) in the case of the sale of bullion, refining charges only; and
- (b) in the case of concentrates, smelting and refining charges, penalties and the cost of transportation of such concentrates from the Property to any purchaser.

Further to section 2.5 of the Agreement, Sphere shall have the right, on giving five days' written notice to Camp McMan and having first obtained all necessary regulatory approvals, to purchase from Camp McMan $1\frac{1}{2}\%$ of Camp McMan's $3\frac{1}{2}\%$ NSR upon payment of \$500,000 per $\frac{1}{2}\%$ NSR. Such purchase right may be successively exercised by Sphere provided that each exercise shall be in respect of the purchase of at least a $\frac{1}{2}\%$ NSR or multiples thereof, if any.