



# **NATIONAL INSTRUMENT TECHNICAL REPORT 43-101**

## **MOUCHALAGANE AND LA BLACHE PROPERTIES**

NTS SHEETS 22N/11, 22N/13, 22N/14 AND 22K/04

for

***ARGEX SILVER CAPITAL INC.***

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VAL-D'OR, QUEBEC

December 4, 2008

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## CONSENT OF AUTHORS

The TSX Venture Exchange  
British Columbia Securities Commission  
Alberta Securities Commission

We, **Jean-Sébastien Lavallée, P. Geo., Marc-André Cloutier, M. Sc. A., Geol. Eng.,** and **Jean Lafleur, M. Sc., P. Geo.,** do hereby consent to the filing, with the regulatory authorities referred to above, of the technical report titled the “*National Instrument 43-101 Technical Report for the Mouchalagane and La Blache Properties, Province of Quebec, Canada*” dated December 4, 2008 (the “Technical Report”) and to the written disclosure of the Technical Report and of extracts from or a summary of the Technical Report in the written disclosure in the Filing Statement for *Argex Silver Capital Inc.*

We also certify that we have read the Filing Statement being filed and we do not have any reason to believe that there are any misrepresentations in the information contained in the Filing Statement derived from the Technical Report or that are within our knowledge as a result of the services performed by both of us or as a result of the review conducted in connection with the preparation of the Technical Report for *Argex Silver Capital Inc.*

Dated this 4<sup>th</sup> day of December, 2008

Per: (s) « *Jean-Sébastien Lavallée* »

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(signed)

**Jean-Sébastien Lavallée, B. Sc., P. Geo.**

Per: (s) « *Marc-André Cloutier* »

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(signed)

**Marc-André Cloutier, M. Sc. A., Geol. Eng.**

Per: (s) « *Jean Lafleur* »

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(signed)

**Jean Lafleur, M. Sc., P. Geo.**

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## 1.0 SUMMARY

The authors were retained by *Argex Silver Capital Inc.* (“*Argex*”) in November 2008 to prepare an independent technical report on their recently acquired Mouchalagane and La Blache properties located in the Baie-Comeau region of north-eastern Quebec.

This report assesses the mineral potential of the Mouchalagane and La Blache Properties. Research of historic exploration activities was limited to the Mouchalagane and La Blache properties and surrounding area. Data examined to determine the geological setting for the region were sourced for a larger area within the Grenville Province. The unit prices for various contractors, laboratory charges, professional fees, etc., as presented in the proposed budget have been researched and are within the going rates for companies and individuals active in the various mining areas of the Province of Quebec.

This report has been prepared in accordance with National Instrument («NI») 43-101 and 43-101F, and is based on a review of the *Ministère des ressources naturelles et de la faune du Québec* (“*MRNFQ*”) assessment files and other public and privately held geological reports.

One of the authors (Lafleur) visited the Mouchalagane and La Blache Properties on July 22, 2008. The visit consisted of a low altitude helicopter flyby of the Mouchalagane and La Blache Properties, as well as two outcrop stops, one on Mouchalagane and one on La Blache. There were no samples taken, since the purpose of the visit was a regional geological tour with respect to a potential property acquisition for another junior mineral exploration company and not a detailed reconnaissance to validate any historic work on the Mouchalagane and La Blache Properties.

The authors are of the opinion that prior to the initiation of any exploration work by the issuer *Argex*, at least one Qualified Person responsible for preparing this report should complete a more detailed site visit once site conditions have improved to allow a more detailed reconnaissance of the Mouchalagane and La Blache Properties. The objective of the reconnaissance visit would be to validate the occurrence of mineralization as described in this report via direct field observations, sampling and assaying.

Nevertheless, the authors are also of the opinion that the conclusions and the Phases 1 and 2 exploration programs and budgets recommended in this report are valid at this time, are consistent with those of other junior mineral exploration companies currently operating in the area for iron, and are required to determine the full iron, titanium and vanadium potential of the combined Mouchalagane and La Blache Properties.

The authors have reviewed all the available public information from the Mouchalagane and La Blache Properties and immediate surrounding area. The authors have relied largely on the documents listed in the References section, as well as his previous experience in uranium and iron exploration in the North Shore and Shefferville-Fermont areas on northern eastern Quebec. The authors assume the documents, reports and other data listed in the References section are substantially accurate and complete in all material aspects. A verification of land title and tenure was performed by Lavallée using the *MRNFQ* files. Nevertheless, the description of the

Mouchelagane and La Blache Properties and ownership thereof are provided for general information purposes only. The authors have not verified the legality of any underlying agreement(s) that may exist concerning the mineral claims or other agreement(s) between third parties.

The Mouchalagane and La Blache Properties consist of 7 claim blocks covering 10,935 hectares or 109.35 km<sup>2</sup> located in the Baie-Comeau region along the North Shore of the Gulf of St. Lawrence. The Mouchalagane Property consists of four Claims blocks; whereas the La Blache Property consists of three claim blocks. The Mouchalagane Property is located north-west of the Manicouagan Reservoir. This reservoir feeds the Manic-5 Generating Station. Three other claim blocks are located about 150 kilometres to the south on the La Blache Property.

The Manicouagan region is situated at the intersection of Highways 138 and 389. Provincial Route #138 links Montreal and Natashquan through Baie-Comeau and Sept-Iles and follows the north shore of the St. Lawrence River. Highway #389 provides access to the mining towns of the north-east and links Baie-Comeau to the mining town of Fermont, situated 570 kilometres north-east of Baie-Comeau.

Mouchalagane and La Blache Properties are subject to three agreements, whereby *Argex* has ultimately purchased a 100% interest in the Mouchelagan and La Blache Properties owned by 7013833 Canada Inc., Jean Fortin, Exploration J. F. Inc., Fancamp Exploration and Sheridan Platinum Group (*refer to the Argex Silver Capital Inc., news release dated November 18, 2008 between Argex Silver Capital Inc, Jean Fortin, Exploration J.F. Inc, Fancamp Exploration and Sheridan Platinum Group*).

All claims are in good standing, the closest renewal date is August 31, 2009. Work credits are required 60 days prior to the due dates to maintain claim ownership (or July 1, 2009). Mineral exploration and mining expertise does exist in the greater Sept-Iles area, mostly large open pit mining for iron and titanium further north in Labrador. The Mouchalagane and La Blache Properties can be accessed via helicopter and/or float plane. Canadian Helicopters has a base at the Sept-Iles airport; whereas float plane service is available in Baie-Comeau.

Exploration in the sector of the Mouchalagane (sector included in Matonipi Lake region) and La Blache properties began in the 1950's.

The first available map from the Mouchalagane Property area was of the Matonipi Lake region dates from 1955 and already showed several iron indicators (Mont South, Mont Barn, Parr Lake North, Crazy Lake and Everett Lake) spread out over four claim blocks at the time (*Moore W. S. Claims*) that today make up the Mouchalagane 1 claim block. In 1957 and 1958, geological mapping, a magnetic survey, 11 exploration drill holes and metallurgical testing were done on the *Moore Claims*. Further metallurgical and metal content testing was done in 1960 at more than 12 sites in the Matonipi Lake region. In 1957, *Consolidated Morrison Exploration Ltd.* undertook geological and magnetic surveys on adjacent properties to the *Moore Claims* in the Lake La Roque region. This area consists of 95 claims and was divided into two properties: West property and East property. Four separate zones of iron oxide mineralization were found. The Matonipi Lake region was mapped by J. Bérard of the *MRNFQ* at the beginning of the 1960s.

*Hanna Mining* and *Matonipi Mines* were very active in the *Moore Claims* during 1962 and 1963 with geological, magnetic and gravimetric surveys, exploration holes and metallurgical testing. In 1975, a last series of metallurgical tests were done on core samples. It was not until 2006 that *Fancamp Exploration* and *Sheridan Platinum Group* re-initiated exploration in the area.

The Mouchalagane Property consists of sedimentary rocks divided into gneisses (or paragneisses), marbles, quartzites and iron formations or banded Lake Superior-type iron-formations. The iron formations are composed of specular hematite, granular quartz and magnetite. The Mouchalagane Property iron lithologies are similar to the iron-rich rocks in the southern portion of the Labrador Trough and Fermont-Gagnon area. The mineralization consists of tightly folded iron formations in a north-south orientation. Thicknesses vary from 50 metres to 100 metres, and are in places composed of a lower member magnetite (magnetite-silicate mineralization) and an upper specularite (quartzite-oxide mineralization). Mapping by the MRNFQ shows that the iron formations continue for several kilometres. At the Mouchalagane I Property, the iron formation extends from north to south for about 10 kilometres.

In the La Blache Property area, the first outcrops of titaniferous magnetite found in an anorthosite were discovered at Schmoor Lake in 1952 by *Anglo-Canadian Pulp and Paper Mills Ltd.*, which later founded the *Bersimis Mining Company*. From 1951 to 1954, the *Bersimis Mining Company* performed airborne and ground dip-needle magnetic surveys, geological mapping, surface sampling and assaying, as well as metallurgical testing. Four iron lenses distributed over a distance of 15 kilometres were identified: West Hervieux, East Hervieux, Schmoor Lake and La Blache East. This was followed by twenty (20) exploration drill holes done in 1964 which showed several intersections of major strength containing more than 45% Fe and 15% TiO<sub>2</sub>.

In 1980, three concessions totalling nine claims were staked on behalf of *Les Ressources Camchib inc.* covering the West Hervieux, East Hervieux and Schmoor Lake lenses. Salamis (1980) from *Ressources Camchib* concluded the titaniferous magnetite lenses of La Blache contained large amounts of iron, titanium and possibly chrome and vanadium. The claims were abandoned soon after.

Sampling, assaying and metallurgical testing of the ilmenite portion of the mineralization was done in 1992 at the West Hervieux lens. *Gaspésie société d'exploration pétrolière et minière inc.* was the owner of ten claims at the time. Sampling for metallurgical testing was done by a geologist employed by *BHP-UTAH*. The samples were processed in the laboratories of *BHP-UTAH* in order to derive an ilmenite concentrate. *BHP-UTAH* recommended further work to locate concentrations of economic ilmenite on the property. According to *BHP-UTAH* economically viable ilmenite contains 46% to 50% TiO<sub>2</sub>. In 1993, *Gaspésie société d'exploration pétrolière et minière inc.* prospected and mapped the East Hervieux and West lenses. Despite the ilmenite potential of the East Hervieux and West lenses, average grades of 5% to 10% ilmenite was found to be insufficient and no further work was recommended.

The La Blache region was mapped in 2000 on at scale of 1:50,000 by the MRNFQ (RG2002-01). The La Blache Anorthosite (unit mPbla1) is represented on the new geological map as well as the associated mineral occurrences of Fe-Ti (mPbla5).

In 2006, *Fancamp Exploration* performed metallurgical testing on two samples of titaniferous magnetite from the East Hervieux lens.

The La Blache Property is located in the centre of the Meso-Proterozoic La Blache Anorthosite. Exposed rocks at La Blache are divided into garnetiferous anorthosites, pegmatite, titaniferous magnetite and leucogabbro. The La Blache mineral occurrences occur as veins, dykes, lenses and tabular bodies of massive titaniferous magnetite with labradorite feldspar. The Magpie deposits also located on the North Shore constitute one of the largest undeveloped mineralized systems of titaniferous magnetite in the world. Total historical estimates for the La Blache Property (*Bersimis Mining Company*, 1964) were 79 million tons at 48% Fe, 20.5% TiO<sub>2</sub>, 0.19% Cr and 0.36% V<sub>2</sub>O<sub>5</sub>. This estimate is historical in nature, non-compliant to NI 43-101 Mineral Resources and Mineral Reserves, and therefore should not be relied upon, but should only be considered as an indication of the iron-titanium mineral potential and not necessarily indicative of the mineralization on the La Blache Property.

The Mouchalagane and La Blache Properties were acquired in November, 2008 by *Argex*. Based on the previous historical work, the authors are of the opinion that the Mouchalagane and La Blache properties contain a significant potential for iron, titanium and vanadium and for this reason a two-phase (Phases 1 and 2) work program is recommended for each property.:

Phase 1 would consist of a complete compilation and synthesis of previous works to geo-reference in a UTM grid the known mineralization; followed by mapping, sampling and assaying to validate the historical assays the surface mineralization and to prioritize a number of targets with the greatest potential for follow up validation and delineation drilling in Phase 2. The proposed budget is \$1,399,300. Phase 2 would be diamond drilling (8,000 metres) to validate the continuity of iron, titanium and vanadium grades at depth. The proposed Phase 2 drilling budget is \$2,607,000. Phases 1 and 2 would total \$4,006,300.

Phase 1 would consist of a complete compilation and synthesis of previous works to geo-reference in a UTM grid the known mineralization; followed by mapping, sampling and assaying to validate the historical assays the surface mineralization and to prioritize a number of targets with the greatest potential for follow up validation and delineation drilling in Phase 2. The proposed budget is \$1,484,300. Phase 2 would be diamond drilling (15,000 metres) to test the continuity of iron, titanium and vanadium grades at along strike and at depth. At this time, the best targets would be the West Hervieux, East Hervieux and Schmoo Lake. The authors also recommend the taking of a small bulk sample for metallurgical testing. The proposed Phase 2 budget is \$4,116,000. Phases 1 and 2 would total \$5,600,300.

Assuming success of both Phases 1 and 2 programs at Mouchalagane and La Blache, the authors would recommend additional drilling to produce NI 43-101 compliant Mineral Resources estimates.

## 2.0 INTRODUCTION AND TERMS OF REFERENCE

The present technical report describes the historical exploration work done, as well as the iron and titanium mineralization on the Mouchalagane and La Blache Properties held by *Argex Silver Capital Inc.* (“*Argex*”), located in the North Shore region of north eastern Quebec. This report was prepared by *Consul-Teck Exploration Inc.* (“*Consul-Teck*”) and has been prepared in accordance with National Instrument (“NI”) 43-101 and 43-101F standards of disclosure for mineral projects.

The bulk of the information was derived from the SIGEOM database of the *Ressources naturelles et de la Faune du Québec* (“*MRNFQ*”), and contains all known assessment work filed by exploration companies, as well as geological work performed or commissioned by the Quebec government..

The authors, Jean-Sébastien Lavallée, P. Geo., Marc-André Cloutier, M. Sc. A., Geol. Eng., and Jean Lafleur, M. Sc., P. Geo., are Qualified Persons according to NI 43-101. Lavallée and Cloutier are the Vice-President and Senior Geologist, respectively, for *Consul-Teck* who since 2003 has supervised exploration and drilling on the North Shore for *Uracan Resources Inc.* and several other gold, base metals and iron exploration projects in the James Bay region, Labrador and Abitibi. Lafleur is a mineral exploration and management consultant, who has worked since 2006 along Quebec’s North Shore and Schefferville-Fermont regions of north eastern Quebec in his capacity as a mineral exploration consultant on a number of uranium and iron projects.

One of the authors (Lafleur) visited the Mouchalagane and La Blache Properties on July 22, 2008. The visit consisted of a low altitude helicopter flyby of the Mouchalagane and La Blache Properties, as well as two outcrop stops, one on Mouchalagane and one on La Blache. There were no samples taken, since the purpose of the visit was a regional geological tour with respect to a potential property acquisition for another junior mineral exploration company and not a detailed reconnaissance to validate any historic work on the Mouchalagane and La Blache Properties.

The authors are of the opinion that prior to the initiation of any exploration work by the issuer *Argex*, at least one Qualified Person responsible for preparing this report should complete a more detailed site visit once site conditions have improved to allow a more detailed reconnaissance of the Mouchalagane and La Blache Properties. The objective of the reconnaissance visit would be to validate the occurrence of mineralization as described in this report via direct field observations, sampling and assaying.

Nevertheless, the authors are also of the opinion that the conclusions and the Phases 1 and 2 exploration programs and budgets recommended in this report are valid at this time, are consistent with those of other junior mineral exploration companies currently operating in the area for iron, and are required to determine the full iron, titanium and vanadium potential of the combined Mouchalagane and La Blache Properties.

Kathleen Boucher, GIS technician, prepared the diagrams and maps included in this report and Yacouba Fomba, both employed by *Consul-Teck* participated in the documentation searches for

this technical report.

### **3.0 RELIANCE ON OTHER EXPERTS**

The authors have carefully reviewed all the available information from the Mouchalagane and La Blache Properties and immediate surrounding area. The authors have relied largely on the documents listed in the References section, as well as their previous work experience within the North Shore region of Quebec, and assume that the documents, reports and other data listed in the References section are substantially accurate and complete in all material aspects.

An independent verification of land title and tenure was performed by one of the authors (Lavallée) using the Quebec government files. The authors have not verified the legality of any underlying agreements that may exist concerning the mineral or other agreements between third parties.

### **4.0 PROPERTY DESCRIPTION AND LOCATION**

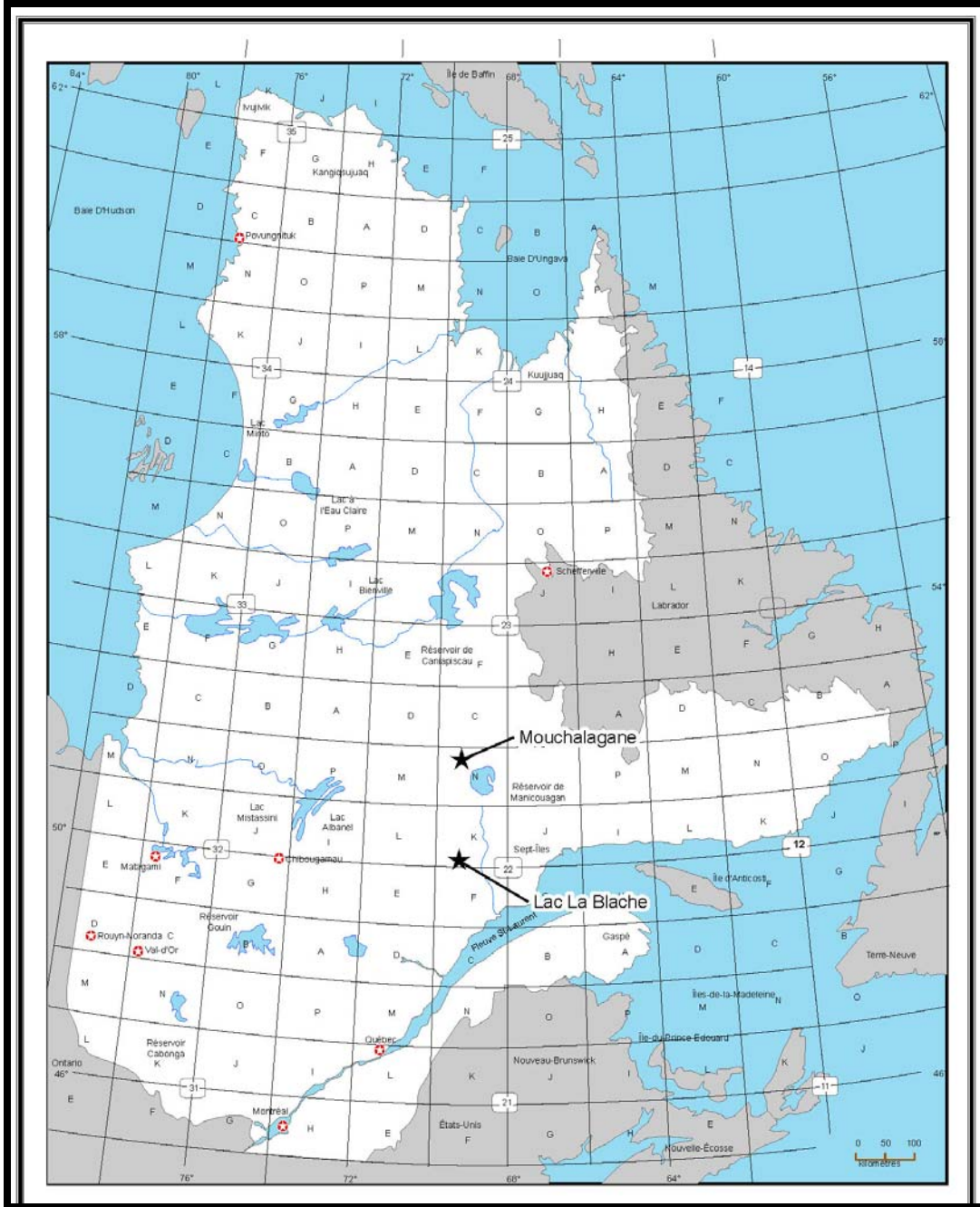
The property (**Figure 1**) is composed of 7 claim blocks located in the Manicouagan (Quebec) region. Four claim blocks are grouped in the Mouchalagan Property located north-west of the Manicouagan Reservoir. This reservoir feeds the Manic-5 Generating Station. Three other claim blocks are situated about 150 kilometres to the south on the historic La Blache deposit and make up the La Blache Property.

#### **4.1 MOUCHALAGANE PROPERTY**

The Mouchalagane Property is composed of four claim blocks, Mouchalagane 1 to 4 and totals 185 claims. It covers an area of 101.1 km<sup>2</sup>. The claims are listed in **Appendix I** and are shown in **Appendix II**.

#### **4.2 LA BLACHE PROPERTY**

The La Blache Property is composed of three claim blocks, West Hervieux, East Hervieux and Schmoor Lake. These are made up of 12 claims and cover an area of 6.64 km<sup>2</sup>. The claims are listed in **Appendix I** and are represented in **Appendix III**.



**Figure 1: Location map of Mouchalagane and La Blache Properties**

**4.3 LETTER AND PURCHASE AGREEMENTS** (refer to Appendix 6 for the entire agreements)

The Mouchalagane and La Blache Properties are subject to three agreements:

1. The first, a purchase agreement dated August 1, 2008, involving the Mouchalagane Property, between 7013833 Canada Inc., the Acquirer, and Jean Fortin and Exploration J. F. Inc., collectively the Vendors;

2. The second, also a purchase agreement dated August 1, 2008, involving the Mouchalagane and La Blache Properties, between 7013833 Canada Inc., the Acquirer, and Fancamp Exploration Ltd., and Sheridan Platinum group, collectively the Vendors; and
3. A third, a letter of agreement dated November 10, 2008, between *Argex*, the Acquirer, and 7013833 Canada Corp., the Vendor.

The terms of the first purchase agreement dated August 1, 2008, involving the Mouchalagane Property, between 7013833 Canada Inc., the Acquirer, and Jean Fortin and Exploration J. F. Inc., collectively the Vendors, are:

- The Vendor agrees to sell a 100% interest in the La Blache Property in favour of the Acquirer;
- By issuing a total of \$500,000 redeemable face value of fully paid and non-assessable preferred shares of the Acquirer to the Vendor;
- Paying a total of \$10,000 to the Vendor;
- Signing a Net Smelter Return agreement in favour of the Vendor for 2%;
- In the event the Acquirer consummates a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual) with a Capital Pool Company or otherwise becomes a publicly traded corporation through a reverse takeover, initial public offering or other means, then the Preferred Shares of the Vendor will be convertible into common shares of the Acquirer at the same price per common share of the Acquirer as determined or implied in the Going Public Transaction and alongside with the mechanisms of the Preferred Share conversion; and
- At any time, the Acquirer may buy back from the Vendor up to 50% of the NSR for a total amount of \$500,000, leaving a 1% NSR.

The terms of the second purchase agreement dated August 1, 2008, involving the Mouchalagane and La Blache Properties, between 7013833 Canada Inc., the Acquirer, and Fancamp Exploration Ltd., and Sheridan Platinum Group, collectively the Vendors, are:

- The Vendor agrees to sell a 100% interest in the Mouchalagane Property in favour of the Acquirer;
- By issuing a total of \$1,500,000 redeemable face value of fully paid and non-assessable preferred shares of the Acquirer to the Vendor;
- The Preferred Shares shall be secured by the Property and will have a 5% annual dividend;
- Paying a total of \$175,000 to the Vendor, as follows:
  - \$25,000 on signing;
  - \$75,000 by the First Anniversary (firm commitment); and
  - \$75,000 by the Second Anniversary (firm commitment).
- Signing a Net Smelter Return ("NSR") agreement in favour of the Vendor for 2%;
- The NSR will rise to 4% two years following production;
- An advance royalty payment of \$100,000 a year beginning at the end of year three;
- The Vendor will have an area of influence that includes all of the lands within NTS map sheets 22N13 and 22N14;

- In the event the Acquirer consummates a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual) with a Capital Pool Company or otherwise becomes a publicly traded corporation through a reverse takeover, initial public offering or other means, then the Preferred Shares of the Vendor will be convertible into common shares of the Acquirer at the same price per common share of the Acquirer as determined or implied in the Going Public Transaction and alongside with the mechanisms of the Preferred Share conversion; and
- At any time, the Acquirer may buy back from the Vendor up to 50% of the NSR for a total amount of \$1,500,000, leaving a 1% NSR rising to 2% two years following production.

The terms of the Letter of Agreement, involving the Mouchalagane and La Blache Properties, dated November 10, 2008, between *Argex*, the Acquirer, and 7013833 Canada Corp., the Vendor, are:

- *Argex* will purchase from the Vendor all rights, title and interest in and to the Mouchalagane and La Blache Properties for an aggregate consideration of up to \$7,030,000;
- The Purchase Price shall be payable by *Argex* as follows:
  - \$780,000 in cash; and
  - Up to 25,000,000 common shares in the share capital of *Argex* with a deemed issue price of \$0.25 per share;
- Pursuant to the Transaction, *Argex* will assume all of the rights and obligations of the Vendor pursuant to which the Vendor previously acquired a 100% interest in the Mouchalagane and La Blache Properties;
- The Vendor agrees that 14,000,000 Payment Shares shall be issued to the holders of its preferred shares in full satisfaction of the obligations in respect to the August 1, 2008 Purchase Agreements with Jean Fortin, Exploration J. F. Inc., Fancamp Exploration Ltd., and Sheridan Platinum Group;
  - The balance of the Payment Shares shall be, upon closing of the Transaction, immediately distributed to the holders of the Vendor's common shares by way of dividend;
  - Furthermore, the Vendor agrees that the balance of the Payment Shares distributed to the holders of the Vendor's common shares will be escrowed for a minimum of 36 and a maximum of 72 months, post-Transaction, or such other escrow period as may be imposed by the TSX Venture Exchange; and
  - The Vendor agrees to obtain escrow agreements from all of its common shareholders in this respect;
- *Argex* and the Vendor agree to work together in respect of a concurrent private equity offering of units of *Argex* for minimum gross proceeds of \$5,000,000 and maximum gross proceeds of \$15,000,000;
- The Vendor has signed a finder's fee agreement with Gemme Manicouagan Inc., whereby the Vendor agreed to pay a cash fee upon completion of a Qualifying Transaction or other such going-public event involving the Vendor;
- *Argex* agrees to pay the Finder a cash fee as follows upon consummation of the Qualifying Transaction and Financing:

- 10% on the first \$300,000 of the deemed acquisition price, 7.5% on the deemed acquisition price between \$300,000 and \$1,000,000, and 5% on the remainder of the deemed acquisition price; and
- The finder fee is subject to the approval of the TSX Venture Exchange and other regulatory authorities;
- The definitive or final agreement is conditional on:
  - The Vendor having prepared and provided a National Instrument 43-101 Technical Report with respect to the Mouchalagane and La Blache Properties;
  - Receipt by the parties of all required third party approvals;
  - The parties having used their good faith efforts to prepare all necessary disclosure and filing documentation in respect of the Transaction and Financing and receipt by the parties of all regulatory approvals (including relevant exchanges);
  - Required approval by the shareholders of the Vendor;
  - Approval by the board of directors of *Argex* and the Vendor; and
  - Completion by *Argex* of a satisfactory due diligence on the Vendor and the Mouchalagane and La Blache Properties.

## 5.0 ACCESSIBILITY, CLIMATE, INFRASTRUCTURE AND PHYSIOGRAPHY

The surrounding region is not inhabited. The nearest city is Baie-Comeau which is located on the North Shore of the St. Lawrence River in the Gulf of St. Lawrence. The main employer is the Alcoa Aluminium Plant. The economic and industrial development in the region is based on mineral, forest and hydroelectric resources. There is a seaport that facilitates the transport of ore. Forest activities are very active in the region. There are substantial hydroelectric facilities.

The Manicouagan region is situated at the intersection of Highways #138 and #389. Provincial Highway #138 links Montreal and Natashquan and follows the north shore of the St. Lawrence River. Highway #389 provides access to the mining towns of the northeast and links Baie-Comeau to the Labrador border.

The climate along the coast of the Gulf of St. Lawrence is one of contrast: The summer is short, warm (an average of 14.5 degrees Celsius in July) and humid with frequent rain. Winter is long and difficult with much snow and strong winds. The average temperature is minus 25 degrees Celsius. Mineral exploration of all types including drilling can be done throughout the year on the Mouchalagane and La Blache Properties. It is easier when moving heavy equipment in winter across frozen lakes and rivers with less damage to the land surface.

### 5.1 MOUCHALAGANE PROPERTY

The Mouchalagane Property is located within NTS Map Sheets: 22N/11, 22N/13 and 22N/14 approximately 275 kilometres north of the city of Baie-Comeau (Quebec). The four claim blocks (**Table 1**) are accessible by helicopter and/or float plane, and are centered on the following coordinates:

	<b>Latitude</b>	<b>Longitude</b>	<b>SNRC</b>
<b>Mouchalagane 1</b>	51° 53' 46" N	69° 26' 17" W	22N/13 and 22N/14
<b>Mouchalagane 2</b>	51° 47' 18" N	69° 26' 35" W	22N/14
<b>Mouchalagane 3</b>	51° 43' 51" N	69° 19' 44" W	22N/11
<b>Mouchalagane 4</b>	51° 42' 17" N	69° 17' 10" W	22N/11

**Table 1: Coordinates of the four (4) Mouchalagane claim blocks**

The Mouchalagane River borders the Mouchalagane 1 claim block and empties into the Manicougan Reservoir. It also and permits access to the claim block by boat.

## 5.2 LA BLACHE PROPERTY

The La Blache Property is located within NTS map sheet 22K/04 approximately 120 kilometres north of the city of Baie-Comeau. The three claim blocks (**Table 2**) are accessible by helicopter and/or float plane and are centered on the following coordinates:

	<b>Latitude</b>	<b>Longitude</b>	<b>SNRC</b>
<b>West Hervieux</b>	50° 02' 30" N	69° 40' 30" W	22K/04
<b>East Hervieux</b>	50° 03' 30" N	69° 38' 02" W	22K/04
<b>Schmoo Lake</b>	50° 03' 45" N	69° 35' 31" W	22K/04

**Table 2: Coordinates of the three La Blache claim blocks**

Highway 389 North from Baie-Comeau is located about 56 kilometres east of the claim blocks.

The Mouchalagane and La Blache Properties have not been legally surveyed. The boundary of each claim block was defined using the MRNFQ website at [www.mrnfp.gouv.qc.ca/mines/index.jsp](http://www.mrnfp.gouv.qc.ca/mines/index.jsp), and the GESTIM claim management system.

All claims are in good standing, the closest renewal date is August 31, 2009, for 35 of 185 claims of the Mouchalagane Property (refer to **Appendix 1**). The renewal fees for all the claims are \$9,850; whereas the minimum work credits required are \$236,400, of which there is \$91,625 already registered on 46 of 185 claims of the Mouchalagane Property. Work credits are required 60 days prior to the due dates to maintain claim ownership for the next two-year window (June 30, 2009 in the earliest case on 35 of 185 claims from the Mouchalagane Property).

Should any future application be made for a mining lease(s) on the Mouchalagane and La Blache Properties, it would be possible to obtain all necessary surface rights and permits from the MRNFQ. Details on claims renewals, work credits, claim access rights, allowable exploration, development and mining works, and site rehabilitation are summarized in the Mining Act of Quebec that can be accessed via the MRNFQ website at <http://www2.publicationsduquebec.gouv.qc.ca>

## 6.0 EXPLORATION AND MINING HISTORY

Exploration in the sector of the Mouchalagane and La Blache Properties began in the 1950's with the discovery of iron and titanium mineralization.

### 6.1 PREVIOUS WORK ON THE MOUCHALAGANE PROPERTY

The first map of the region dates from 1955 (GM3155), which already shows several iron occurrences (Mount South, Mount Barn, Parr North Lake, Crazy Lake and Everett Lake) spread over four (4) concessions (*Moore W.S. Claims*) that are today a part of the Mouchalagane 1 claim block. These iron occurrences were discovered in 1954 by the *Oliver Iron Mining Company* (GM06791A) which had explored the region after the publication of an aeromagnetic survey by *Canadian Aero Service* in 1952.

In 1957, *Consolidated Morrison Exploration* undertook geological and magnetic surveys on ground adjacent to the *Moore Claims* (GM07583 and GM07618). The 95 claim Lake La Roque Property covered four separate zones of iron mineralization. The eastern portion of the property covered zones 1, 2 and 3 whereas the western segment covered the A, B and C Zones. The iron mineralization was described as being of two types: Mineralized quartzite with hematite and magnetite and iron formation containing magnetite and iron silicates. Gravity and magnetic surveys were performed in 1960 (GM10162 and GM10774) by *Sulmac Exploration Services* over the same area.

Geological mapping, a magnetic survey, 11 exploration drill holes and metallurgical tests were also performed in 1957 and 1958 on the *Moore Claims* (GM06791 A, B, C and D). New claims were staked to the south, namely the southern extension of Parr Lake and the northern extension of the Everett occurrences.

Metallurgical tests were performed in 1960 over more than twelve (12) sites in the same region (GM10824 A and B).

The region was mapped by Bérard of the *MRNFQ* in the early 1960's. The eastern limit of the field mapping (DP174 and RP521) cuts through the Mouchalagane sector. Bérard describe all the geological units and the iron mineralizations of the region. The iron mineralization on the Mouchalagane Property corresponds to the Mount South and Mount Barn occurrences of the *Moore Claims*.

*Hanna Mining Co* and *Matonipi Mines* were also very active on the *Moore Claims* in 1962 and 1963 (GM12431, GM12882, GM12883, GM12884, GM12885, GM13207, GM14067, GM14068 and GM14204). They completed geological, magnetic and gravimetric surveys, and metallurgical testing.

In 1975, *Matonipi Mines* (GM31180) completed additional metallurgical testing on six different mineralized type samples: the Mount South quartzite-oxide, Mount South magnetite-silicates,

Parr Lake quartzite-oxide, Parr Lake magnetite-silicates, Mount Barn magnetite-silicates and Crazy Lake magnetite-silicates.

It is only in 2006 that *Fancamp Exploration* and *Sheridan Platinum Group* resumed mineral exploration in this sector. A magnetic and a radiometric survey were completed over the Mouchalagane 1 claim block (GM63122).

## 6.2 PREVIOUS WORK ON THE LA BLACHE PROPERTY

In 1951, the first titaniferous magnetite outcrops were discovered in anorthosite of Schmoor Lake (GM02209-A) by *Anglo-Canadian Pulp and Paper Mills*, which eventually became *Bersimis Mining*.

From 1951 to 1954, *Bersimis Mining* conducted aeromagnetic and “dip-needle surveys” geological mapping, surface sampling, assaying and metallurgical test work (GM02209-B and GM02671). Four mineralized lenses were uncovered over a distance of 15 kilometres: West Hervieux, East Hervieux, Schmoor Lake and La Blache East (GM06409).

In 1954, three claim blocks held by the *Bersimis Mining* were visited by the *MRNFQ* (GM03107). The *MRNFQ* published a report and map jointly with *Bersimis Mining* that located and described the East Hervieux and West Hervieux occurrences (RP374) revealing the presence of medium to coarse grained magnetite in anorthosite. According to estimates made by *Bersimis Mining* at the time “these deposits contained 135,000,000 tons of ore up to a depth of 300 feet. It is reported that the average content of the ore is of 49 percent iron and 21 percent of  $TiO_2$ .” This estimate is historical in nature, non-compliant to NI 43-101 Mineral Resources and Mineral Reserves, and therefore should not be relied upon, but should only be considered as an indication of the iron-titanium mineral potential and not necessarily indicative of the mineralization on the La Blache Property.

A ground magnetic survey was completed by *Prospecting Geophysics* in 1959 (GM08681). *Bersimis Mining* completed 20 drill holes in 1964 (GM15462, GM15667 and GM15992) intersecting significant iron and titanium (more than 45% Fe and 15%  $TiO_2$ ). The *MRNFQ* examined approximately 300 metres of drill core sampling holes 4, 7, 8, 10, 11, 13 and 17 as well as two outcrops for petrographic and chemical analyses. Three lenses were identified and were apparently aligned over a distance of 6 kilometres. The lenses vary from 100 metres to 1,130 metres in length and 45 metres to 215 metres in width (RG2002-01 and GM37408). Geochemical analyses tend to be consistent from one lens to the other (GM37408) averaging 50.4% Fe, 20.1%  $TiO_2$ , 0.36%  $V_2O_5$ , 0.70%  $SiO_2$ , 7.41%  $Al_2O_3$ , 1.26% CaO, 4.05% MgO 0.19% Cr, 0.03% P and 0.02% S.

The mineral resource estimate reported by *Bersimis Mining* in 1964 (GM37408) is 79 million tons grading 48% Fe, 20.5%  $TiO_2$ , 0.19% Cr and 0.36%  $V_2O_5$ . This estimate is historical in nature, non-compliant to NI 43-101 Mineral Resources and Mineral Reserves, and therefore should not be relied upon, but should only be considered as an indication of the iron-titanium mineral potential and not necessarily indicative of the mineralization on the La Blache Property.

An aeromagnetic map (2083G) covering La Blache was published in 1968 by the *Geological Survey of Canada*.

The La Blache sector was mapped at a regional scale during the *MRNFQ*'s Grenville project in 1968-1969 (DP127 and RG162). The name La Blache Anorthosite Pluton first appears on published maps. A geotechnical site investigation was completed in 1969 by L. Kish who collected four mineralized samples (GM26833, DP127 and RG162) that gave the following results (RG162):

Sample Location	SiO <sub>2</sub> (%)	Fe (%)	TiO <sub>2</sub> (%)	V (%)
West Hervieux	0.53	50.12	20.84	0.20
West Hervieux	49.22	6.01	2.42	0.016
Hervieux-Schmoo	0.91	49.74	19.35	0.20
East Hervieux	0.66	51.34	20.09	0.21

A vast exploration campaign, the Manic Project, was undertaken by *SOQUEM* in 1976 covering 34,700 km<sup>2</sup> (GM49156, GM49162, GM49164 and GM49165) that included lake-bottom sediment geochemistry, airborne spectrometry and a geological survey. Following this campaign, *SOQUEM* outlined 66 areas of interest for base metals and other minerals without retaining the La Blache occurrence (DP86-18, MB86-58 and MB89-58)..

In 1980, three concessions blocks totalling nine claims were staked by *Les Ressources Camchib* (GM37408) covering the West Hervieux, East Hervieux and Schmoo Lake occurrences. They concluded that the titaniferous magnetite occurrences at La Blache represented an important source of titanium, iron and possibly of chrome and vanadium. In 1982, the three claim blocks were explored by *Services Exploration* (GM39253, GM39254, GM39255 and GM39256) who completed a geological and dip needle surveys at Schmoo Lake without the discovery of any massive titaniferous magnetite. At East Hervieux a geological survey uncovered 25 metres to 30 metres of massive magnetite. At West Hervieux, ten samples of titaniferous magnetite contained between 49.20% Fe and 50.58% Fe, and between 18.40% TiO<sub>2</sub> and 21.86% TiO<sub>2</sub>.

Metallurgical studies of the ilmenite mineralization was performed in 1992 (GM51848) at the West Hervieux occurrence as part of the concession then owned by *Gaspésie société d'exploration pétrolière et minière*. The testing was completed by *BHP-UTAH* and produced a heavy mineral concentrate of ilmenite containing 46% TiO<sub>2</sub> to 50% TiO<sub>2</sub>. In 1993, *Gaspésie société d'exploration pétrolière et minière* prospected the East and West Hervieux occurrences. The East and West Hervieux ilmenite occurrences contained 5% to 10% ilmenite, but was deemed uneconomic at the time and no further work was recommended.

Lake De La Blache was mapped in 2000 by the *MRNFQ* (RG2002-01). The La Blache anorthosite was represented on the new geological map (unit mPbla1) as well as the iron and titanium mineralization (mPbla5).

A geological field excursion guidebook (MB2003-03) on the La Blache mineralization was published in 2003.

In 2005, the *MRNFQ* (PRO2003-03) published new geochemical data of lake-bottom and stream sediments covering La Blache. Numeric data of airborne geophysical surveys were made available in 2006 (DP2006-06).

In 2006, *Fancamp Exploration* performed metallurgical tests (GM62464) on two samples of titaniferous magnetite from the East Hervieux occurrence (GM62465). The two samples were analyzed by *COREM* contained in excess of 22% TiO<sub>2</sub> and more than 67% of Fe<sub>2</sub>O<sub>3</sub>.

## 7.0 GEOLOGICAL SETTING

### 7.1 REGIONAL GEOLOGY

The Mouchalagane and La Blache Properties are located in the North Shore region of Quebec, part of the Grenville Geological Province. The Grenville extends for more than 2,000 kilometres in length and skirts the North Shore of the St-Lawrence River. Its width varies from 300 kilometres to 600 kilometres (**Figure 2**) and forms the south east segment of the Canadian Shield. The Archean rocks of the Superior Province and the Proterozoic rocks of the Otish Basin are separated from the Grenville Province by the Grenville Front. The tectonic fabric of the Grenville is predominantly northwest-southwest trending.

The Grenville consists of gneiss domes and basins with complex and irregular structural patterns, intrusive rocks of variable composition, from gabbros to alkaline rocks. The circular shaped Manicouagan Structure located in proximity to the Mouchalagane and La Blache Properties was reportedly created by a meteorite impact some 214 million years ago.

### 7.2 LOCAL GEOLOGY

The lithologies and mineralizations of the Mouchalagane and La Blache Properties are different and are treated separately in the following paragraphs.

The rocks of the Mouchalagane Property are dominated by paragneisses (RP521) of detritic or of chemical origin. The detritic types are composed of biotite gneisses, biotite-muscovite gneisses, biotite-hornblende gneisses, amphibolites with or without garnets, calcareous gneisses and quartzites constitute approximately 80% of the paragneissic suite. The paragneisses of chemical origin include ferrous lithologies, quartzites, garnet schists and crystalline limestones. These paragneisses still show bedding features varying from 2 millimetres to 1.3 metres thick. The quartzites are distinguished from the ferrous rocks by their low iron oxide content. Even though very hard, these rocks were subjected to strong deformation and very tight folding. Schistosity in general parallels bedding. Folding affects all rocks of the region. There are at least two periods of deformation. The east-west compression causing the north-south folds is responsible for the dominant schistosity.

Lithologies of the La Blache (RG2002-02) Property are divided into three major units: the gneissic and intrusive rocks of varied composition of the Hulot Complex, intrusive rocks that include the east-west trending La Blache Anorthosite Complex, and late crosscutting gabbro-

norites, gabbros, diabasic gabbros, mangerites, granites and pegmatites. The La Blache Anorthosite Complex is an almost circular batholith of 35 kilometres by 20 kilometres (GM52690) within intrusive rocks that extends for 100 kilometres by up to 20 kilometres. The anorthosites are cut by granites and pegmatite varying from a few centimetres to several metres of multiple orientations.

Four lenses of titaniferous magnetite (West Hervieux, East Hervieux, Schmoor Lake and East De La Blache) are present as tabular bodies that are aligned over a 17 kilometre long arc (RG2002-01) located at the center of the anorthosites. The lenses are almost parallel to the axis of the large antiform defined by the anorthosites that is slightly discordant with the lithologies.

### 7.2.1 Geology of the Mouchalagane Property

The geology (**Appendix IV**) is taken from the descriptions contained in a number of company and *MRNFQ* geological reports from the 1950's and 1960's (GM07618, GM06791-A, DP174 and RP521). Lithologies are all of sedimentary origin and are divided into gneisses (or paragneisses), marbles, quartzites and iron formations.

#### Gneisses

Gneisses are an aggregate of a variety of layered rocks with alternating light gray to dark laminations. It is composed mainly of quartz with feldspar and biotite. Small garnet crystals are well developed and hornblende is sometimes present. In areas where there is greater deformation, schistosity is well developed and a porphyroblastic texture is present. The gneisses are stratigraphically overlain by marbles.

#### Marbles

Marbles (or crystalline limestone) are located at the base of the iron formations. They are generally grey limestones. They are compositionally quite variable depending on the impurities present and degree of metamorphism. They range from pure white marbles to tremolite-silicate varieties and are generally very coarse grained.

#### Quartzites

The quartzites are white to vitreous and opalescent, and contain different proportions of specular hematite that define layering. They are finely laminated with large quartz crystals, can be steel grey with the increasing content of specular hematite. The other rare minerals found are micas and traces of chlorite, apatite, epidote and garnet.

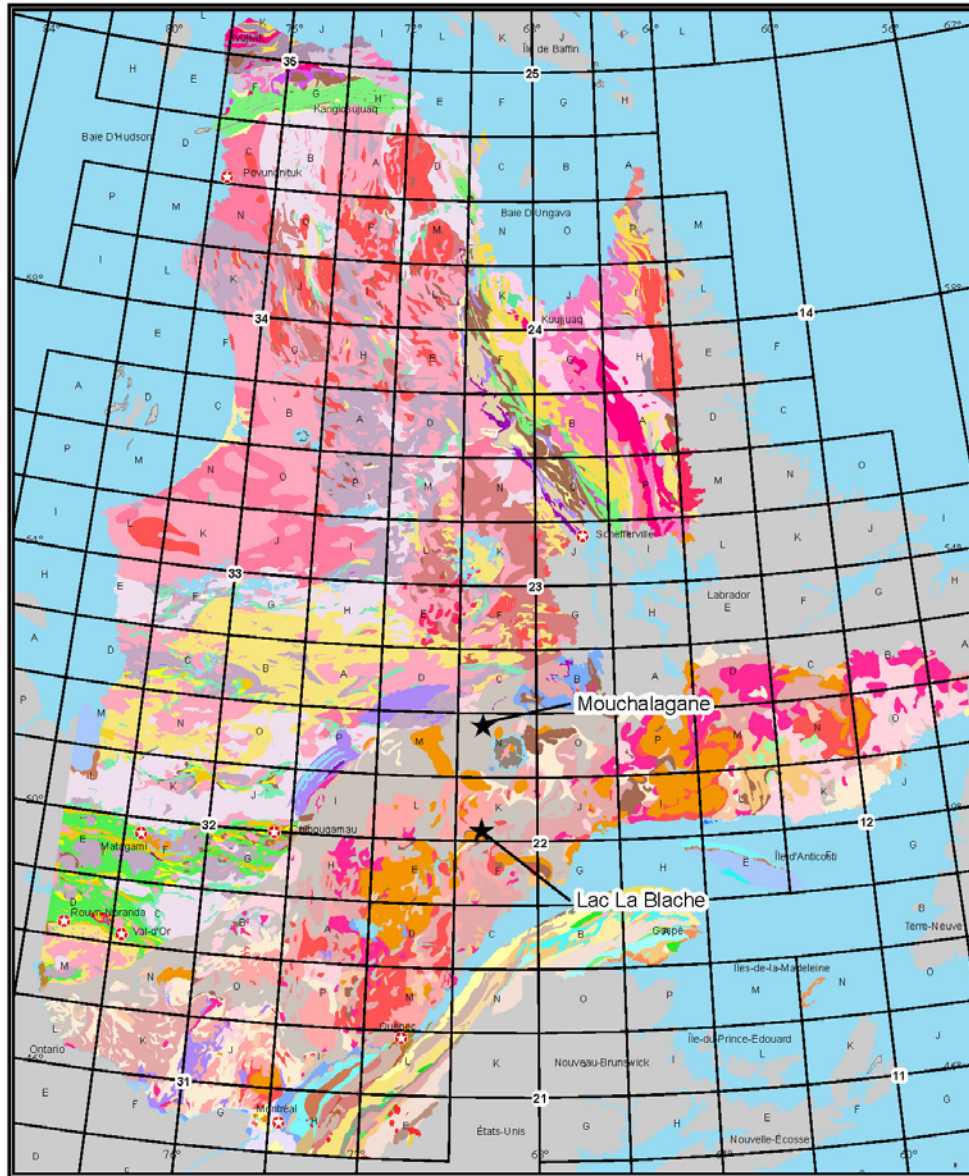
#### Iron Formations

The ferrous rocks are mainly composed of two facies. The specular oligistic facies composed of 15 to 40% hematite with quartz. The proportion between these two minerals varies from one bed to the next. Magnetite is a minor constituent. This facies corresponds to Campbell's "Quartzite Ore" (GM07618). The highly magnetized magnetite facies is black and fine grained. The magnetite often alternates with silicate and carbonates. This facies corresponds to Campbell's

“Silicate Ore” (GM07618).

Folding

The iron formations are highly folded and beds are repeated with the true width of the unit estimated to be of more than 100 metres (RP521).



**Figure 2: Location map of La Blache and Mouchalagane Properties on the geological map of the Province of Quebec**

**7.2.2 Geology of the La Blache Property**

The geology (**Appendix V**) is taken from descriptions contained in a number of geological

company and government reports (GM02671, GM52690, RG162 and RG2002-01).

Lithologies are all of igneous origin and are divided into anorthosites, garnetiferous anorthosites, pegmatites, gabbroic anorthosite and titaniferous magnetites of the La Blache anorthosite Complex.

### Anorthosites

The anorthosites at the core of the La Blache Anorthosite Complex are composed of at least 90% andesine to labradorite plagioclase megacrysts with minor pyroxenes, titaniferous magnetite, ilmenite, garnet, biotite, olivine, pyrrhotine and chlorite.

The anorthosites occupy 75% of the total surface of a La Blache Property. It is massive, medium to coarse grained, equigranular and automorphic. It is also weakly deformed, non-altered, non-foliated, but occasionally cataclastic. The anorthosites are grey colour on fresh surfaces, and the labradorite is recognizable by its bluish tinge. The anorthosites are slightly magnetic.

### Garnetiferous anorthosites

Similar to typical anorthosites, but contains between 5% and 15% garnet. The garnets are agglomerated masses of 5 centimetres to 15 centimetres linked to magnetite and ilmenite. The unit is located in direct contact with the iron oxides and is up to 25 metres wide.

### Pegmatite

Dykes and veins of pink pegmatites cut all other units. They are composed of quartz and potassic feldspar with minor biotite and magnetite.

### Gabbroic anorthosites

The gabbroic anorthosites are distinguished from anorthosites by its content of 5% to 25% of mafic minerals. Contacts are gradual between the two units.

### Titaniferous magnetite

The titaniferous magnetite is easily identifiable by its black colour with a bluish reflection in contrast to the grey anorthosite. It is massive and is in contact with anorthosites that also occur as enclaves in the oxides. The typical composition is 80% titaniferous magnetite, 10% spinel, 5% to 10% ilmenite, and 5% pyroxene and/or plagioclase.

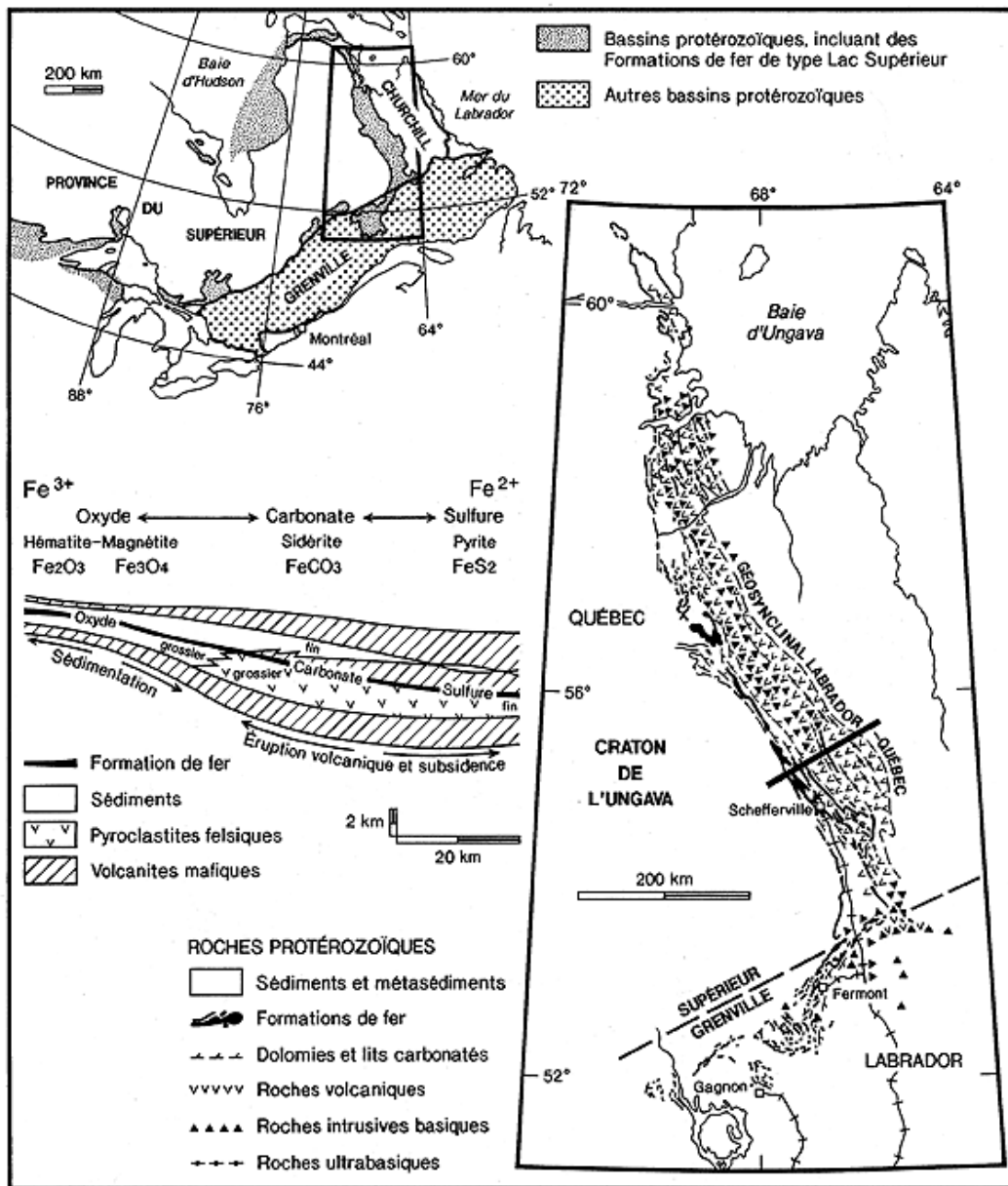
### Deformation

The dominant structure on the property has a northwest orientation as per the general alignment of the La Blache Anorthosite Complex. At East Hervieux, the mineralization occurs at the flanks of a probable the West Hervieux occurrence there is no major folding.

### 8.0 DEPOSIT TYPES AND EXPLORATION MODELS

The Mouchalagane and La Blache Properties are composed of geological units likely to contain significant iron, titanium and vanadium mineralization of economic interest.

The iron-rich rocks of the Mouchalagane Property are similar to the iron bearing rocks of the southern part of the Labrador Trough (RP521). **Figure 3** shows the extent of iron formations in the Labrador Trough as they continue in a southwesterly direction towards the Manicouagan Structure in proximity to the Mouchalagane region. The iron formations are of the Lake Superior type as defined by Gross (1980).



**Figure 3: Iron formations of the Labrador Trough (Jébrak, 2008)**

The mineralization at the La Blache Property is composed of veins, dykes, lenses and tubular bodies of massive titaniferous magnetite linked to anorthosite.s The Magpie Deposit located as well on the North Shore constitutes one of the largest titaniferous magnetite deposits with reserves in excess of 800 million tonnes grading 43% Fe, 11% TiO<sub>2</sub>, 1.6% Cr and 0.20% V (Perreault et al., 2002). This estimate is historical in nature, non-compliant to NI 43-101 Mineral Resources and Mineral Reserves, and therefore should not be relied upon,

Vanadium is most often found with titaniferous magnetites, phosphat and uranium. In the Chbougamau region of Quebec, the massive magnetite of the Lac Doré Anorthosite Complex of Archean age (Daigneault and Allard, 1990) has vanadium mineralization. The vanadium occurs as an exsolution phase in the magnetite and, in lesser quantities, in the ilmenite and certain silicates. The historic vanadium mineral resources estimate of the MacKenzie Bay Vanadium Deposit (as reported in the 2001 Canadian Minerals Yearbook) amounts to 102 million tonnes grading 35% magnetite, 17% ilmenite and 0.5% V<sub>2</sub>O<sub>5</sub>. This estimate is historical in nature, non-compliant to NI 43-101 Mineral Resources and Mineral Reserves, and therefore should not be relied upon.

**9.0 MINERALIZATION**

The mineralized zones found aP the Mouchalagane and La Blache properties are described in the following two sub-sections (**Table 3, Appendices IV and V**). At the Mouchalagane Property a total of twelve iron showings are known (Lake Bacouel is included in zone 3) whereas on the La Blache Property there are three iron and titanium showings are present.

**La Blache Property**

Showing/Occurrence	Historic values	NTS Sheet	Easting	Northing
West Hervieux	48% Fe 12% Ti 0.20% V	22K/04	451646	5543400
East Hervieux	51% Fe 20% TiO <sub>2</sub> 0.21% V	22K/04	454096	5545334
Schmoo Lake	50 % Fe 19% TiO <sub>2</sub> 0.20% V	22K/04	458078	5546076

**Mouchalagane 1 Property**

Showing/Occurrence	Historic values	NTS Sheet	Easting	Northing
Everett Lake	38% Fe 0.1% Mn 21% Si	22N/14	469846	5750776
Crazy Lake	31.29% Fe	22N/14	468396	5744376

<b>Bacouel Lake (Zone 3)</b>	35% Fe	22N/14	469716	5745826
<b>Zone 1</b>	31% to 36% Fe	22N/14	468814	5748065
<b>Zone 2</b>	33% Fe	22N/14	470473	5746648
<b>Zone A, B et C</b>	n/a	22N/14	465805	5744792

**Mouchalagane 2 Property**

Showing/Occurrence	Historic values	NTS Sheet	Easting	Northing
<b>Lake Parr North</b>	21% to 28% Fe	22N/14	468821	5739726
<b>Lake Parr South</b>	29% to 38% Fe 19% Si	22N/14	470896	5733576
<b>South Mtn</b>	32% Fe	22N/13	461446	5736776
<b>Lake Hummingbird (Mount Barn)</b>	32% Fe	22N/13	462946	5738226

**Mouchalagane 3 Property**

Showing/Occurrence	Historic values	NTS Sheet	Easting	Northing
<b>Riv. Monelle-Zones A,B</b>	35.95% Fe	22N/11	478046	5731426

**Mouchalagane 4 Property**

Showing name	Historic values	NTS Sheet	Easting	Northing
<b>Riv. Monelle-Zones C</b>	35% Fe	22N/11	479046	5729576

**Table 3: Mineralized zones of the Mouchalagane and La Blache Properties**

**9.1 MOUCHALAGANE PROPERTY**

The ferrous rocks of the Mouchalagane sector are composed of specular hematite, magnetite, silicates and carbonates. According to Béland (1964) the oligiste iron and quartz facies is the one that is the most attractive, but the deposits tend to be small and dispersed.

Several mineralized lenses were described by Campbell (1958) on the original *Consolidated Morrison* claims (Zones 1 to 4, and A to C) composed of two iron formations types: hematite-magnetite in quartzites and magnetite bearing silicates.

The quartzites are composed of vitreous quartz with a characteristic blue colour and a bedded

composed of variable iron oxide laminations. The quartzites are magnetic but do not contain visible magnetite. Zones 1 and 2 are of this type and were evaluated to contain between 31% and 36% iron in Zone #1, and 33% iron in zone #2 (GM07618).

The silicates are composed of black grains of magnetite, brown tubular crystals of iron silicate likely grunerite amphibole (Lafleur, pers. comm., 2008) and a small quantity of silica and/or light coloured carbonate. This type of mineralization produces magnetic anomalies. Zone 3 is of this type and averages 32% iron (Bacouel occurrence).

The South Parr, North Parr, Crazy and Everett Lakes occurrences (from the original *Moore Claims*) have an established stratigraphic sequence that places the carbonates (marbles or limestones) and the quartzites at the base of the iron formation. The iron formation is divided into a lower member rich in magnetite and an upper member containing specular hematite, both having roughly the same thickness.

In summary, the mineralization at Mouchalagane consists of highly folded, north-south trending iron formations, that are 50 to 100 metres wide (GM06791A and RP521), and is divided into a magnetite-rich lower member (“magnetite-silicate ore”) and specular hematite upper member (“quartz-oxide mineral ore”). The *MRNFQ* outlines continuous iron formations over several kilometres in length (**Appendix IV**). The Mouchalagane 1 claim block hosts approximately ten (10) kilometres of continuous iron formations.

## 9.2 LA BLACHE PROPERTY

The titaniferous magnetite from the La Blache Property is hosted in three lenses: West Hervieux, East Hervieux and Schmoor Lake. A fourth lens (La Blache East) located in extension of the three other lenses east of La Blache is not included since it lies outside the property boundaries.

The three lenses are aligned over a distance of 6 kilometres. The lenses vary from 100 metres to 1,130 metres in length and 45 metres to 215 metres in width (RG2002-01 and GM37408). Geochemical analyses tend to be consistent from one lens to the other (GM37408) averaging 50.4% Fe, 20.1% TiO<sub>2</sub>, 0.36% V<sub>2</sub>O<sub>5</sub>, 0.70% SiO<sub>2</sub>, 7.41% Al<sub>2</sub>O<sub>3</sub>, 1.26% CaO, 4.05% MgO 0.19% Cr, 0.03% P and 0.02% S.

The mineral resource estimate reported by *Bersimis Mining* in 1964 (GM37408) is 79 million tons grading 48% Fe, 20.5% TiO<sub>2</sub>, 0.19% Cr and 0.36% V<sub>2</sub>O<sub>5</sub>. This estimate is historical in nature, non-compliant to NI 43-101 Mineral Resources and Mineral Reserves, and therefore should not be relied upon, but should only be considered as an indication of the iron-titanium mineral potential and not necessarily indicative of the mineralization on the La Blache Property.

The main mineral species of the La Blache occurrence is an intergrowth of very fine ulvospinel and magnetite exsolutions (Fe<sub>2</sub>TiO<sub>4</sub>). The ulvospinel content approximates 60% (GM16464). It was concluded at the time the magnetite intergrowths were so small (a few microns in size) that the physical separation seemed impossible. Detailed metallurgical studies would be required to determine any fatal flaws in separating iron and titanium. La Blache appears to host a significant iron and titanium mineralization that requires delineation and definition to determine the ultimate

tonnage and grade. Lenses vary in width from 15 metres to 100 metres, exceed 300 metres in length with one lens exceeding 1,000 metres (GM164564). This would indicate a quantity in the order of 10 million to 100 million tonnes of massive ulvospinel-magnetite. At this stage, this is pure speculation and the exploration work has not been done to determine a compliant NI 43-101 Mineral Resources. The numbers are only an indication of the mineralized potential on the La Blache Property. There is no evidence at this time to indicate that future work would convert this potential into NI 43-101 compliant Mineral Resources.

## **10.0 EXPLORATION WORK**

*Argex*, the authors or any related third parties did not perform any exploration work on the Mouchalagane and La Blache Properties. The iron exploration in the region began in the early 1950's (refer to Section 5 – Exploration and Mining History).

## **11.0 DRILLING**

*Argex*, the authors or any related third parties did not perform any drilling on the Mouchalagane and La Blache Properties. Some 54 drill holes were completed on the Mouchalagane Property and 20 drill holes on the La Blache Property (refer to **Appendices IV and V**).

## **12.0 SAMPLING METHOD AND APPROACH**

Few of the assessment files checked by the authors provided a review of the rock sampling and analytical methods. In addition, Quality Control / Quality Assurance methods and security procedures were rarely discussed by previous workers. This lack of information is believed to be related to the limited assessment requirements of the time as opposed to the lack of completeness from the companies.

## **13.0 PREPARATION, ANALYSIS AND SAFETY OF THE SAMPLES**

Any future exploration program to be undertaken on the Mouchalagane and La Blache Properties by *Argex* should contain Quality Assurance and Quality Control (QA/QC) programs to insure that bedrock and drill core analysis, and results will be precise and can be reproduced.

The authors recommend that the *ALS Laboratory Group* of Val-d'Or (Quebec) and Vancouver (British Columbia) be retained for analytical services due to their expertise, the authors past experience with the laboratory, well established and validated QA/QC protocol and current availability (30-day turn around).

### **13.1 SAMPLE PREPARATION AND SHIPMENT**

*Argex*, the authors or any related third parties did not perform any assaying on the Mouchalagane

and La Blache Properties.

### 13.2 ASSAY METHOD

Future analytical work at the *ALS Laboratory Group* on bedrock or core samples will use the standard Iron Ore Package Analysis using the ME-XRF11 method. The analytical precisions (in ppm or % where indicated) are given as follows:

CHEMICAL ELEMENTS AND RANGES (%)							
Fe	0.01-75	Na <sub>2</sub> O	0.01-5	Cu	0.001-3	V	0.001-1
SiO <sub>2</sub>	0.01-70	TiO <sub>2</sub>	0.001-20	Ni	0.001-3	Zn	0.001-5
Al <sub>2</sub> O <sub>3</sub>	0.01-30	As	0.001-0.6	P	0.001-5	Zr	0.001-1
CaO	0.01-10	Ba	0.001-0.3	Pb	0.001-4	LOI	0.01-100
K <sub>2</sub> O	0.001-5	Cl	0.001-4	S	0.001-5		
MgO	0.01-10	Co	0.001-2	Sn	0.001-1		
MnO	0.001-75	Cr	0.001-5	Sr	0.001-1		

### 13.3 QA/QC PROGRAM

*Argex*, the authors or any related third parties did not perform any Quality Assurance and/or Quality Control programs on the Mouchalagane and La Blache Properties.

### 14.0 DATA VALIDATION

There was no data verification done by *Argex* or the authors on the Mouchalagane and La Blache Properties, since there were no available historical samples (bedrock or drill core). The authors used the technical information (GESTIM, EXAMINE) made available in the *MRNFQ*'s web site ([www.mrnfp.gouv.qc.ca/mines/index.jsp](http://www.mrnfp.gouv.qc.ca/mines/index.jsp)) to produce this report. All assessment reports used to complete this report filed at the MRNFQ as GM numbers are listed in the References section.

### 15.0 ORE PROCESSING AND METALLURGICAL TESTING

A number of metallurgical tests dating from the 1950's were carried out on samples collected from the various mineralized zones of the Mouchalagane and La Blache Properties.

#### 15.1 MOUCHALAGANE PROPERTY

Metallurgical testing took place in 1958 on the *Moore Claims* (GM06791-D) showings at Parr Lake North, Parr Lake South, Crazy Lake, and Everett Lake. The crude ore samples that were richer in iron came from the Parr Lake sector, with a tenor of 67.68% Fe in trench #3, 55.40% Fe in trench #4, and 54.59% FE in trench #7; no positional data were given, however, for these trenches.

Metallurgical testing and magnetic concentration were carried out in 1960 at more than twelve sites in the Lake Matonipi region (GM10824 A and B). Samples taken at the surface by scraping

or channelling across the iron formations and drill-core samples from the various showings were pulverized and concentrated, and the resulting summary is presented in **Table 4** below:

OCCURRENCES	SAMPLES			SAMPLE GRADE		CONCENTRATE GRADE		
	AMOUNT	COMPANY	TYPE	FE %	TYPE	FE %	SiO2 %	% WEIGHT RECOVERY
<b>Barn Mountain</b>	4	WSM OIM	O.C.	31.4	Mag.	69.1	3.5	42.4
	19	WSM OIM	O.C.	26.8	Mag.			
	7	OIM	D.H.	26.0	Mag.	69.6	2.8	32.6
<b>South Mountain</b>	7	WSM OIM	O.C.	32.3	Mag(spec)	70.2	1.8	28.4
	6	OIM	D.H.	28.1	Mag.	69.2	2.3	37.5
<b>Mushalagan R.</b>	2	WSM	O.C.	33.36	Mag.	68.47	4.10	35.33
	4	OIM WSM	O.C.	29.69	Mag.			
<b>S. Parr L.</b>	9	PM OIM WSM	O.C.	33.71	Mag.	68.05	3.61	41.62
	3	PM	D.H.	33.83	Mag.	64.45	5.10	41.12
<b>N. Parr L.</b>	2	OIM WSM	O.C.	42.18	Spec.	67.97	3.08	59.22
	6	PM(ore zones)	D.H.	28.22	Spec.	66.72	4.12	34.84
	6	PM(entire IP)	D.H.	19.78	Spec.			
<b>Crazy L.</b>	4	PM OIM WSM	O.C.	31.29	Mag.	71.23	1.15	35.70
<b>Everett L.</b>	11	PM OIM WSM	O.C.	34.74	Spec.Mag.	68.75	2.44	48.52
	6	OIM PM WSM	H.G.	trenches	66.39			
	2	PM	H.G.	areas	55.00	67.65	2.61	77.44
<b>Matonipis L.</b>	1	WSM	O.C.	38.17	Spec.	66.58	4.40	54.82
<b>Portage Mountain</b>	3	WSM OIM	O.C.	39.83	Spec.			
	2	WSM OIM	O.C.	40.34	Spec.	67.97	2.97	53.71
<b>W. Matonipil, Saville Mountain</b>	11	OIM WSM	O.C.	27.89	Mag.Spec.	66.07	7.47	28.76
	6	OIM	D.H.	33.54	Mag.Spec.	66.79	5.66	42.58
<b>Jones Mountain</b>	7	OIM WSM	O.C.	32.86	Mag.Spec.	67.57	5.51	37.73
	2	OIM	D.H.	32.97	Mag.Spec.	68.12	3.71	43.34
<b>Bacouel L.</b>	1	OIM	O.C.	26.97	Spec.	66.98	4.19	38.35

Notes: Hematite concentrate –35 mesh  
 Magnetite concentrate –100 mesh  
 OIM : *Oliver Iron Mining Company*  
 PM : *Pickands Mather & Co.*  
 WSM : *Wabush Iron Co.*

**Table 4: Metallurgical test work from the Mouchalagane Property area**

Additional metallurgical testing was carried out in 1963 by *Hanna Mining* and *Matonipi Mines*. In 1975, a final series of metallurgical testing was carried out by *Matonipi Mines* (GM31180) on drill core taken from quartz-oxide at Mont South and Parr South, and magnetite-silicates at Mont South, Parr South, Mount Barn and Crazy Lake.

## 15.2 LA BLACHE PROPERTY

Goldsmith (1953) reported on a metallurgical tests carried out by the *MRNFQ* on approximately 60 kg of mineralized material Schmoo Lake (GM02671). An additional test was carried out by approximately 40 kg of material from Hervieux West (GM02671). Results at the time were not encouraging on separating out the ilmenite or the magnetite. Another study by the *MRNFQ* at the time focused on a chemical or pyrometallurgical separation process.

Additional metallurgy was conducted in 1992 at Hervieux West (GM51848). In 2006, *Fancamp Exploration* carried out metallurgical testing on two samples of titaniferous magnetite from Hervieux East (GM62464 and GM62465). *COREM* analyses showed more than 22 %  $TiO_2$  and more than 67%  $Fe_2O_3$ . They also studied the effects of temperature on the reduction and the separation of metallic iron from the other components in the samples. At the end of the pyrometallurgical tests, metallic iron “condensation” was starting to occur at a temperature of 1,475 degrees C.

## 16.0 ADJACENT PROPERTIES

*Manicouagan Minerals* is involved in Ni, Cu and PGE,s exploration on ground located 75 kilometres north of the Mouchalagane Property. Several occurrences were identified from their work. In 2007, drill hole MCH-07-03 gave 0.16 metres of 9.49 % Ni, 0.07 % Cu, 0.45 % Co, 1.17 g/t Pt and 7.88 g/t Pd (Houle et al., 2008).

## 17.0 MINERAL RESOURCES AND MINERAL RESERVES ESTIMATES

There are no current Mineral Resources or Mineral Reserves on the Mouchalagane and La Blache Properties.

## 18.0 OTHER RELEVANT DATA AND INFORMATION

*Argex*, the authors or any related third parties are not aware of any other relevant data or information with regards to the Mouchalagane and La Blache Properties.

## 19.0 CONCLUSIONS AND RECOMMENDATIONS

Numerous exploration and regional mapping programs were completed in and around the Mouchalagane and La Blache Properties since the 1950's. The work partly served to expose a number of the iron, titanium and/or vanadium that the region offers. On the basis of the authors review of the historical works carried out on the Mouchalagane and La Blache Properties and the regional geological context, the authors are of the opinion that the Mouchalagane and La Blache Properties have sufficient merit to warrant further exploration and development to fully evaluate their iron, titanium and/or vanadium potential.

One of the authors (Lafleur) visited the Mouchalagane and La Blache Properties on July 22, 2008. The visit consisted of a low altitude helicopter flyby of the Mouchalagane and La Blache Properties, as well as two outcrop stops, one on Mouchalagane and one on La Blache. There were no samples taken, since the purpose of the visit was a regional geological tour with respect to a potential property acquisition for another junior mineral exploration company and not a detailed reconnaissance to validate any historic work on the Mouchalagane and La Blache Properties.

The authors are of the opinion that prior to the initiation of any exploration work by the issuer *Argex*, at least one Qualified Person responsible for preparing this report should complete a more detailed site visit once site conditions have improved to allow a more detailed reconnaissance of the Mouchalagane and La Blache Properties. The objective of the reconnaissance visit would be to validate the occurrence of mineralization as described in this report via direct field observations, sampling and assaying.

Nevertheless, the authors are also of the opinion that the conclusions and the Phases 1 and 2 exploration programs and budgets recommended in this report are valid at this time, are consistent with those of other junior mineral exploration companies currently operating in the area for iron, and are required to determine the full iron, titanium and vanadium potential of the combined Mouchalagane and La Blache Properties.

### **19.1 MOUCHALAGANE PROPERTY**

A total of twelve iron occurrences were historically identified on the Mouchalagane Property according to historical data not verified by a Qualified Person. The occurrences are linked to more or less continuous, but highly folded iron formations, ranging in thickness between 50 metres and 100 metres for a distance of 10 kilometres. Samples taken from the iron formation have shown up to 37.71% Fe. On the basis of the authors review and evaluation of the historical work, it is recommended that a two-phased exploration program be initiated to define the areas of economic interest.

Phase 1 would consist of a complete compilation and synthesis of previous works to geo-reference in a UTM grid the known mineralization; followed by mapping, sampling and assaying to validate the historical assays the surface mineralization and to prioritize a number of targets with the greatest potential for follow up validation and delineation drilling in Phase 2. The proposed budget is \$1,399,300. Phase 2 would be diamond drilling (8,000 metres) to validate the continuity of iron, titanium and vanadium grades at depth. The proposed Phase 2 drilling budget is \$2,607,000. Phases 1 and 2 would total \$4,006,300.

### **19.2 LA BLACHE PROPERTY**

The historical work has enabled the identification of three lenses containing iron, titanium, and vanadium on the La Blache Property that were not verified by a Qualified Person. The three lenses are spread over a distance of more than 6 kilometres. The mineralization varies from 100 metres to 1,130 metres in length, and 45 metres to 215 metres in width. Assay grades were

consistent averaging 50.4% Fe, 20.1% TiO<sub>2</sub>, and 0.36% V<sub>2</sub>O<sub>5</sub> (GM 37408).

An historical mineral resources estimate reported a total of 79 million tonnes at 48% Fe, 20.5% TiO<sub>2</sub>, 0.19% Cr and 0.36% V<sub>2</sub>O<sub>5</sub> (GM 37408). The estimate is historical in nature, non-compliant to NI 43-101 standards of Mineral Resources and Mineral Reserves, and therefore should not be relied upon, but should only be considered as an indication of the iron-titanium-vanadium mineral potential and not necessarily indicative of the mineralization on the La Blache Property. There is no indication at this time that the historical mineral resources can be validated with exploration work. However, the authors are of the opinion that the La Blache Property hosts a significant iron and titanium potential, and has sufficient merit to recommend a two-phased exploration program be initiated to define the areas of economic interest.

Phase 1 would consist of a complete compilation and synthesis of previous works to geo-reference in a UTM grid the known mineralization; followed by mapping, sampling and assaying to validate the historical assays the surface mineralization and to prioritize a number of targets with the greatest potential for follow up validation and delineation drilling in Phase 2. The proposed budget is \$1,484,300. Phase 2 would be diamond drilling (15,000 metres) to test the continuity of iron, titanium and vanadium grades at along strike and at depth. At this time, the best targets would be the West Hervieux, East Hervieux and Schmoor Lake. The authors also recommend the taking of a small bulk sample for metallurgical testing. The proposed Phase 2 budget is \$4,116,000. Phases 1 and 2 would total \$5,600,300.

## **20.0 BUDGET**

### **20.1 MOUCHALAGANE PROPERTY**

#### **PHASE 1: Model and Target Validation (6 months); mapping, prospecting and sampling program**

Mobilization, equipment preparation and camp installation	\$125,000
3 Geologists x \$600/day x 90 days	\$162,000
1 QP Geologist x \$750/day x 45 days	\$33,750
3 Project Geologists x \$400/day x 90 days	\$108,000
1 GIS Technician x \$450/day x 45 days	\$20,250
1 Camp man x \$400/day x 90 days	\$36,000
1 Cook x \$450/day x 90 days	\$40,500
1 Truck x \$125/day x 90 days	\$11,250
Daily allowance (field supplies and food)	
\$100/day/person x 900 day/person	\$90,000
1 Rock saw x \$45/day x 90 days	\$4,050
1 Satellite telephone, antenna time x \$150/day x 90 days	\$13,500
30 Airplane tickets x \$1,000/flight	\$30,000
Miscellaneous camp/field expenses	\$50,000
Gasoline, Fuel, Propane	\$50,000
1 Helicopter x \$5,000/day x 90 days	\$450,000

Assays \$50/sample x 2,000 samples	\$100,000
Compilation, synthesis, reporting	\$75,000
<b>Total Phase 1 Program</b>	<b>\$1,399,300</b>

**PHASE 2: Target delineation (6 months); diamond drilling (8,000 metres)**

1 Geologist x \$600/day x 120 days	\$72,000
1 Geologist QP x \$750/day x 60 days	\$45,000
4 Technicians x \$400/day x 120 days	\$192,000
1 GIS Technician x \$450/day x 60 days	\$27,000
2 Woodcutter x \$400/day x 120 days	\$96,000
1 Camp man x \$400/day x 120 days	\$48,000
1 Cook x \$450/day x 120 days	\$54,000
1 Truck x \$125/day x 120 days	\$15,000
3 Argos x \$100/day x 100 days	\$30,000
Daily allowance (field supplies and food) \$100/day/person x 1,250 day/person	\$125,000
1 Hydraulic splitter	\$3,000
1 Satellite telephone, antenna time x \$150/day x 120 days	\$18,000
30 Airplane tickets x \$1,000/flight	\$30,000
Miscellaneous camp/field expenses	\$50,000
Gasoline, Fuel, Propane	\$155,000
Drilling program 8,000 metres x \$150/metre	\$1,200,000
Analysis \$50/sample x 5,500 samples	\$275,000
1 Project Manager x \$600/day x 120 days	\$72,000
Compilation, synthesis, reporting	\$100,000
<b>Total Phase 2 Program expenses</b>	<b>\$2,607,000</b>

<b>Expenditures (Phases 1 + 2)</b>	<b>\$4,006,300</b>
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**20.2 LA BLACHE PROPERTY**

**PHASE 1: Model and Target Validation (6 months); mapping, prospecting and sampling program**

Mobilization, equipment preparation and camp installation	\$125,000
Line cutting and magnetic survey	\$75,000
3 Geologists x \$600/day x 90 days	\$162,000
1 QP Geologist x \$750/day x 45 days	\$33,750
3 Project Geologists x \$400/day x 90 days	\$108,000
1 GIS Technician x \$450/day x 45 days	\$20,250
1 Camp man x \$400/day x 90 days	\$36,000
1 Cook x \$450/day x 90 days	\$40,500
1 Truck x \$125/day x 90 days	\$11,250



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## AUTHORS CERTIFICATE OF QUALIFICATIONS

I, **Jean-Sébastien Lavallée**, of 17 Rue des Bouleaux, Sullivan (Quebec), do hereby certify that:

I am the co-author of this National Instrument 43-101 Technical Report titled “*Mouchalagane and La Blache Properties, Province of Quebec, Canada*”, dated December 4, 2008.

I am a graduate of the University of Quebec in Montreal (Quebec) where I obtained a B.Sc. in Geology (2003). I have worked as a geologist for a total of 6 years since my graduation from university. I am a qualified geologist, engaged in mining exploration and production since 2003. I am a member of the *l’Ordre des Géologues du Québec* (OGQ) since 2003 (No. 773). My exploration expertise was acquired with Noranda Exploration Inc., Urcan Resources Ltd., Eloro Resources Ltd., Champion Minerals Inc., and Matamec Exploration Inc.

I am engaged as a consultant for *Argex Capital Inc.*, and not as an employee of *Argex Capital Inc.*; I do not expect to become an insider, associate or employee of the issuer. I do not hold or expect to receive any securities of the issuer or any royalty interest in the La Blache and Mouchalagane Property. I have not received, nor do I expect to receive any interest in: (i) La Blache and Mouchalagane Property; or (ii) *Argex Silver Capital Inc.* I am independent of the issuer in compliance with section 1.4 of NI 43-101.

I am responsible for the preparation of the technical report titled “*Mouchalagane and La Blache Properties, Province of Quebec, Canada*” (according to Regulation 43-101 and 43-101F1) dated December 4, 2008 (the “Technical Report”).

I have read the definition of Qualified Person set out in Regulation 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined by NI 43-101) and past relevant work experience, I fulfill the requirements to be a Qualified Person for the purpose of NI 43-101. I have read National Instrument 43-101 and 43-101F1 and this Technical Report has been prepared and is in compliance with the Instrument.

I certify that I thoroughly read and revised the report, and verified material facts. I am not aware of any omission or misquotes that could mislead the reader. I did not visit the Mouchalagane and La Blache Properties, but I worked in the general area of both Properties.

I consent to the use of this Technical Report by *Argex Silver Capital Inc.*, or by any other person or company that *Argex Silver Capital Inc.*, may authorize, and to the filing of same with applicable securities regulatory authorities.

Signed in Val d’Or (Quebec), on the 4<sup>th</sup> day of December 2008.

---

**Jean-Sébastien Lavallée, B. Sc., P. Geo.**

## AUTHORS CERTIFICATE OF QUALIFICATIONS

I, **Marc-André Cloutier**, of 37 Place Gaulin, L'Assomption (Quebec), J5W 1M3 do hereby certify that:

I am the co-author of this National Instrument 43-101 Technical Report titled "*Mouchalagane and La Blache Properties, Province of Quebec, Canada*", dated December 4, 2008.

I am a graduate of the Polytechnique of Montreal, Montreal, Quebec, where I obtained a M. Sc. A. in geological engineering in 1986. I am a qualified geologist, engaged in mining exploration and production since 1986. I have held junior and senior geological positions with major and junior exploration and mining companies. I am a member of the *l'Ordre des ingénieurs du Québec* (OIQ) since 1986 (No. 36853).

I am engaged as a consultant for *Argex Silver Capital Inc.*, and not as an employee of *Argex Silver Capital Inc.*; I do not expect to become an insider, associate or employee of the issuer. I do not hold or expect to receive any securities of the issuer or any royalty interest in the Mouchalagane and La Blache Properties. I have not received, nor do I expect to receive any interest in: (i) Mouchalagane and La Blache Properties; or (ii) *Argex Silver Capital Inc.* I am independent of the issuer applying of the tests in section 1.4 of Regulation 43-101.

I am responsible for the preparation of the technical report titled "*Mouchalagane and La Blache Properties, Province of Quebec, Canada*" (according to Regulation 43-101 and 43-101F1) dated December 4, 2008 (the "Technical Report").

I have read the definition of Qualified Person set out in Regulation 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined by NI 43-101) and past relevant work experience, I fulfill the requirements to be a Qualified Person for the purpose of NI 43-101. I have read National Instrument 43-101 and 43-101F1 and this Technical Report has been prepared and is in compliance with the Instrument.

I certify that I thoroughly read and revised the report, and verified material facts. I am not aware of any omission or misquotes that could mislead the reader. I did not visit the Mouchalagane and La Blache Properties, but I worked in the general area of both Properties.

I consent to the use of this Technical Report by *Argex Silver Capital Inc.*, or by any other person or company that *Argex Silver Capital Inc.*, may authorize, and to the filing of same with applicable securities regulatory authorities.

Signed in Val d'Or (Quebec), on the 4<sup>th</sup> day of December 2008.

---

**Marc-André Cloutier, M. Sc. A., Geol. Eng.**

## AUTHORS CERTIFICATE OF QUALIFICATIONS

I, **Jean Lafleur**, of 1179 Notre-Dame-de-Fatima, Laval (Quebec), Canada, do hereby certify that:

I am the co-author of this National Instrument 43-101 Technical Report titled “*Mouchalagane and La Blache Properties, Province of Quebec, Canada*”, dated December 4, 2008.

I am a graduate of the University of Ottawa, Ottawa, Ontario, where I obtained a BSc. Geology in 1977 and M.Sc. Geology in 1986. I am a qualified geologist, engaged in mining exploration and production since 1984. I have held junior and senior geological positions, as well as senior management and executive positions in the major and junior exploration and mining companies. I am a member of the *l’Ordre des Géologues du Québec (OGQ)* since 2003 (No. 833).

I am responsible for the recommendations, revision and editing of the technical report titled “*Mouchalagane and La Blache Properties, Province of Quebec, Canada*” (according to Regulation 43-101 and 43-101F1) dated December 4, 2008 (the “Technical Report”).

I have read the definition of Qualified Person set out in Regulation 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined by NI 43-101) and past relevant work experience, I fulfill the requirements to be a Qualified Person for the purpose of NI 43-101. I have read National Instrument 43-101 and 43-101F1 and this Technical Report has been prepared and is in compliance with the Instrument.

I certify that I thoroughly read and revised the report, and verified material facts. I am not aware of any omission or misquotes that could mislead the reader. I did not visit the Mouchalagane and La Blache Properties, but I worked in the general area of both Properties.

I consent to the use of this Technical Report by *Argex Silver Capital Inc.*, or by any other person or company that *Argex Silver Capital Inc.*, may authorize, and to the filing of same with applicable securities regulatory authorities.

Signed in Val d’Or (Quebec), on the 4<sup>th</sup> day of December 2008.

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**Jean Lafleur, M. Sc., P. Geo.**

APPENDIX I  
MINING RIGHTS LIST

**HERVIEUX-OUEST PROPERTY**

Claim N°	Area (ha)	Expiration date	NTS	Range	Lot	Part	Work Credits	Work necessary for renewal	Required fees for renewal	Property Owners
CDC-25185	55.29	June 22, 2010	22K04	6	39	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25186	55.29	June 22, 2010	22K04	6	40	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25187	55.3	June 22, 2010	22K04	5	39	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25188	55.3	June 22, 2010	22K04	5	40	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
<b>4 Claims</b>	<b>221.18</b>	<b>2.21 Km<sup>2</sup></b>					<b>- \$</b>	<b>4 800.00 \$</b>	<b>200.00 \$</b>	

**HERVIEUX-EST PROPERTY**

Claim N°	Area (ha)	Expiration date	NTS	Range	Lot	Part	Work Credits	Work necessary for renewal	Required fees for renewal	Property Owners
CDC-25176	55.27	June 22, 2010	22K04	8	43	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25177	55.27	June 22, 2010	22K04	8	44	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25178	55.27	June 22, 2010	22K04	8	45	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25179	55.27	June 22, 2010	22K04	8	46	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25182	55.28	June 22, 2010	22K04	7	43	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25183	55.28	June 22, 2010	22K04	7	44	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
<b>6 Claims</b>	<b>331.64</b>	<b>3.32 Km<sup>2</sup></b>					<b>- \$</b>	<b>7 200.00 \$</b>	<b>300.00 \$</b>	

**LAC SCHMOO PROPERTY**

Claim N°	Area (ha)	Expiration date	NTS	Range	Lot	Part	Work Credits	Work necessary for renewal	Required fees for renewal	Property Owners
CDC-25181	55.27	June 22, 2010	22K04	8	50	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25226	55.27	June 22, 2010	22K04	8	49	0	- \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
<b>2 Claims</b>	<b>110.54</b>	<b>1.11 Km<sup>2</sup></b>					<b>- \$</b>	<b>2 400.00 \$</b>	<b>100.00 \$</b>	

MOUCHALAGANE 1 PROPERTY										
Claim N°	Area (ha)	Expiration date	NTS	Range	Lot	Part	Work Credits	Work necessary for renewal	Required fees for renewal	Property Owners
CDC-2142288	53.15	January 24, 2010	22N14	18	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142289	53.15	January 24, 2010	22N14	18	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142290	53.14	January 24, 2010	22N14	19	6	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142291	53.14	January 24, 2010	22N14	19	7	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142292	53.14	January 24, 2010	22N14	19	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142293	53.14	January 24, 2010	22N14	19	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142294	53.13	January 24, 2010	22N14	20	6	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142295	53.13	January 24, 2010	22N14	20	7	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142296	53.13	January 24, 2010	22N14	20	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142297	53.13	January 24, 2010	22N14	20	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142298	53.13	January 24, 2010	22N14	20	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142299	53.12	January 24, 2010	22N14	21	6	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142300	53.12	January 24, 2010	22N14	21	7	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142301	53.12	January 24, 2010	22N14	21	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142302	53.12	January 24, 2010	22N14	21	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142303	53.12	January 24, 2010	22N14	21	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142304	53.11	January 24, 2010	22N14	22	5	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142305	53.11	January 24, 2010	22N14	22	6	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142306	53.11	January 24, 2010	22N14	22	7	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142307	53.11	January 24, 2010	22N14	22	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142308	53.11	January 24, 2010	22N14	22	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142309	53.11	January 24, 2010	22N14	22	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142310	53.1	January 24, 2010	22N14	23	5	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142311	53.1	January 24, 2010	22N14	23	6	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142312	53.1	January 24, 2010	22N14	23	7	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142313	53.1	January 24, 2010	22N14	23	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142314	53.1	January 24, 2010	22N14	23	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142315	53.1	January 24, 2010	22N14	23	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142316	53.09	January 24, 2010	22N14	24	7	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142317	53.09	January 24, 2010	22N14	24	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142318	53.09	January 24, 2010	22N14	24	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142319	53.09	January 24, 2010	22N14	24	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142320	53.09	January 24, 2010	22N14	24	11	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142321	53.08	January 24, 2010	22N14	25	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142322	53.08	January 24, 2010	22N14	25	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142323	53.08	January 24, 2010	22N14	25	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142324	53.08	January 24, 2010	22N14	25	11	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142325	53.08	January 24, 2010	22N14	25	12	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142326	53.07	January 24, 2010	22N14	26	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2142327	53.07	January 24, 2010	22N14	26	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144203	53.07	February 26, 2010	22N14	26	11	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144204	53.07	February 26, 2010	22N14	26	12	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144205	53.07	February 26, 2010	22N14	26	13	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.

MOUCHALAGANE 1 PROPERTY (Cont.)										
Claim N°	Area (ha)	Expiration date	NTS	Range	Lot	Part	Work Credits	Work necessary for renewal	Required fees for renewal	Property Owners
CDC-2144206	53.06	February 26, 2010	22N14	27	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144207	53.06	February 26, 2010	22N14	27	11	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144208	53.06	February 26, 2010	22N14	27	12	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144209	53.06	February 26, 2010	22N14	27	13	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-25426	53.21	June 28, 2010	22N14	12	6	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25427	53.21	June 28, 2010	22N14	12	7	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25429	53.2	June 28, 2010	22N14	13	6	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25430	53.2	June 28, 2010	22N14	13	7	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25431	53.2	June 28, 2010	22N14	13	8	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25433	53.14	June 28, 2010	22N14	19	8	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91890	53.21	August 31, 2009	22N14	12	1	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91891	53.21	August 31, 2009	22N14	12	2	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91892	53.21	August 31, 2009	22N14	12	3	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91893	53.21	August 31, 2009	22N14	12	4	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91894	53.21	August 31, 2009	22N14	12	8	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91895	53.21	August 31, 2009	22N14	12	9	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91896	53.2	August 31, 2009	22N14	13	1	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91897	53.2	August 31, 2009	22N14	13	2	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91898	53.2	August 31, 2009	22N14	13	3	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91899	53.2	August 31, 2009	22N14	13	4	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91900	53.2	August 31, 2009	22N14	13	9	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91901	53.19	August 31, 2009	22N14	14	1	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91902	53.19	August 31, 2009	22N14	14	2	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91903	53.19	August 31, 2009	22N14	14	3	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91904	53.19	August 31, 2009	22N14	14	4	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91905	53.19	August 31, 2009	22N14	14	5	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91906	53.19	August 31, 2009	22N14	14	6	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91907	53.19	August 31, 2009	22N14	14	7	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91908	53.19	August 31, 2009	22N14	14	8	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91909	53.19	August 31, 2009	22N14	14	9	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91910	53.18	August 31, 2009	22N14	15	6	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91911	53.18	August 31, 2009	22N14	15	7	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91912	53.18	August 31, 2009	22N14	15	8	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91913	53.18	August 31, 2009	22N14	15	9	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91914	53.17	August 31, 2009	22N14	16	6	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91915	53.17	August 31, 2009	22N14	16	7	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91916	53.17	August 31, 2009	22N14	16	8	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91917	53.17	August 31, 2009	22N14	16	9	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91918	53.16	August 31, 2009	22N14	17	6	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91919	53.16	August 31, 2009	22N14	17	7	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd

**MOUCHALAGANE 1 PROPERTY (Cont.)**

Claim N°	Area (ha)	Expiration date	NTS	Range	Lot	Part	Work Credits	Work necessary for renewal	Required fees for renewal	Property Owners
CDC-91920	53.16	August 31, 2009	22N14	17	8	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91921	53.16	August 31, 2009	22N14	17	9	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91922	53.15	August 31, 2009	22N14	18	6	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91923	53.15	August 31, 2009	22N14	18	7	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-91924	53.15	August 31, 2009	22N14	18	8	0	1 991.84 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
<b>88 Claims</b>	<b>4676.43</b>	<b>49.42 Km<sup>2</sup></b>					<b>81 665.67 \$</b>	<b>105 600.00 \$</b>	<b>4 400.00 \$</b>	

**MOUCHALAGANE 2 PROPERTY**

Claim N°	Area (ha)	Expiration date	NTS	Range	Lot	Part	Work Credits	Work necessary for renewal	Required fees for renewal	Property Owners
CDC-2144568	53.28	March 11, 2010	22N13	4	55	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144569	53.28	March 11, 2010	22N13	4	56	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144570	53.28	March 11, 2010	22N13	4	57	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144571	53.28	March 11, 2010	22N13	4	58	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144572	53.28	March 11, 2010	22N13	4	59	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144573	53.28	March 11, 2010	22N13	4	60	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144574	53.28	March 11, 2010	22N13	5	55	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144575	53.27	March 11, 2010	22N13	5	56	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144576	53.27	March 11, 2010	22N13	5	57	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144577	53.27	March 11, 2010	22N13	5	58	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144578	53.27	March 11, 2010	22N13	5	59	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144579	53.27	March 11, 2010	22N13	5	60	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144580	53.26	March 11, 2010	22N13	6	60	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144581	53.31	March 11, 2010	22N14	1	4	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144582	53.31	March 11, 2010	22N14	1	5	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144583	53.31	March 11, 2010	22N14	1	6	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144584	53.31	March 11, 2010	22N14	1	7	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144585	53.3	March 11, 2010	22N14	2	4	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144586	53.3	March 11, 2010	22N14	2	5	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144587	53.3	March 11, 2010	22N14	2	6	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144588	53.3	March 11, 2010	22N14	2	7	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144589	53.29	March 11, 2010	22N14	3	4	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144590	53.29	March 11, 2010	22N14	3	5	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144591	53.29	March 11, 2010	22N14	3	6	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144592	53.29	March 11, 2010	22N14	3	7	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144593	53.28	March 11, 2010	22N14	4	12	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144594	53.28	March 11, 2010	22N14	4	13	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144595	53.27	March 11, 2010	22N14	5	12	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144596	53.27	March 11, 2010	22N14	5	13	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144597	53.27	March 11, 2010	22N14	5	14	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144598	53.26	March 11, 2010	22N14	6	10	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN

MOUCHALAGANE 2 PROPERTY (Cont.)										
Claim N°	Area (ha)	Expiration date	NTS	Range	Lot	Part	Work Credits	Work necessary for renewal	Required fees for renewal	Property Owners
CDC-2144599	53.26	March 11, 2010	22N14	6	11	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144600	53.26	March 11, 2010	22N14	6	12	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144601	53.26	March 11, 2010	22N14	6	13	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144602	53.25	March 11, 2010	22N14	7	10	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144603	53.25	March 11, 2010	22N14	7	11	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144604	53.25	March 11, 2010	22N14	7	12	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144605	53.25	March 11, 2010	22N14	8	9	0	- \$	1 200.00 \$	50.00 \$	JEAN FORTIN
CDC-2144843	53.32	March 12, 2010	22N11	30	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144844	53.32	March 12, 2010	22N11	30	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145337	53.31	March 16, 2010	22N14	1	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145338	53.31	March 16, 2010	22N14	1	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145339	53.31	March 16, 2010	22N14	1	11	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145340	53.3	March 16, 2010	22N14	2	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145341	53.3	March 16, 2010	22N14	2	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145342	53.3	March 16, 2010	22N14	2	12	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145343	53.3	March 16, 2010	22N14	2	13	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145344	53.3	March 16, 2010	22N14	2	14	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145345	53.3	March 16, 2010	22N14	2	15	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145346	53.29	March 16, 2010	22N14	3	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145347	53.29	March 16, 2010	22N14	3	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145348	53.29	March 16, 2010	22N14	3	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145349	53.29	March 16, 2010	22N14	3	11	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145350	53.29	March 16, 2010	22N14	3	12	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145351	53.28	March 16, 2010	22N14	4	1	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145352	53.28	March 16, 2010	22N14	4	2	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145353	53.28	March 16, 2010	22N14	4	3	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145354	53.28	March 16, 2010	22N14	4	4	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145355	53.28	March 16, 2010	22N14	4	5	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145356	53.28	March 16, 2010	22N14	4	6	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145368	53.27	March 16, 2010	22N14	5	7	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145369	53.27	March 16, 2010	22N14	5	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145370	53.26	March 16, 2010	22N14	6	1	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145371	53.26	March 16, 2010	22N14	7	1	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145372	53.24	March 16, 2010	22N14	9	7	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145363	53.27	March 16, 2010	22N14	5	2	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145364	53.27	March 16, 2010	22N14	5	3	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145365	53.27	March 16, 2010	22N14	5	4	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145366	53.27	March 16, 2010	22N14	5	5	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145357	53.28	March 16, 2010	22N14	4	7	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145358	53.28	March 16, 2010	22N14	4	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145359	53.28	March 16, 2010	22N14	4	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145360	53.28	March 16, 2010	22N14	4	10	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145361	53.28	March 16, 2010	22N14	4	11	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145362	53.27	March 16, 2010	22N14	5	1	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.

**MOUCHALAGANE 2 PROPERTY (Cont.)**

Claim N°	Area (ha)	Expiration date	NTS	Range	Lot	Part	Work Credits	Work necessary for renewal	Required fees for renewal	Property Owners
CDC-2145367	53.27	March 16, 2010	22N14	5	6	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145373	53.24	March 16, 2010	22N14	9	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145374	53.23	March 16, 2010	22N14	10	7	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145375	53.23	March 16, 2010	22N14	10	8	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2145376	53.23	March 16, 2010	22N14	10	9	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-25415	53.3	June 28, 2010	22N14	2	10	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25416	53.3	June 28, 2010	22N14	2	11	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25420	53.25	June 28, 2010	22N14	7	6	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25423	53.25	June 28, 2010	22N14	8	7	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
CDC-25424	53.25	June 28, 2010	22N14	8	8	0	1 991.85 \$	1 200.00 \$	50.00 \$	Fancamp Exploration Ltd
<b>85 Claims</b>	<b>4528.68</b>	<b>45.28 Km<sup>2</sup></b>					<b>9 959.25 \$</b>	<b>102 000.00 \$</b>	<b>4 250.00 \$</b>	

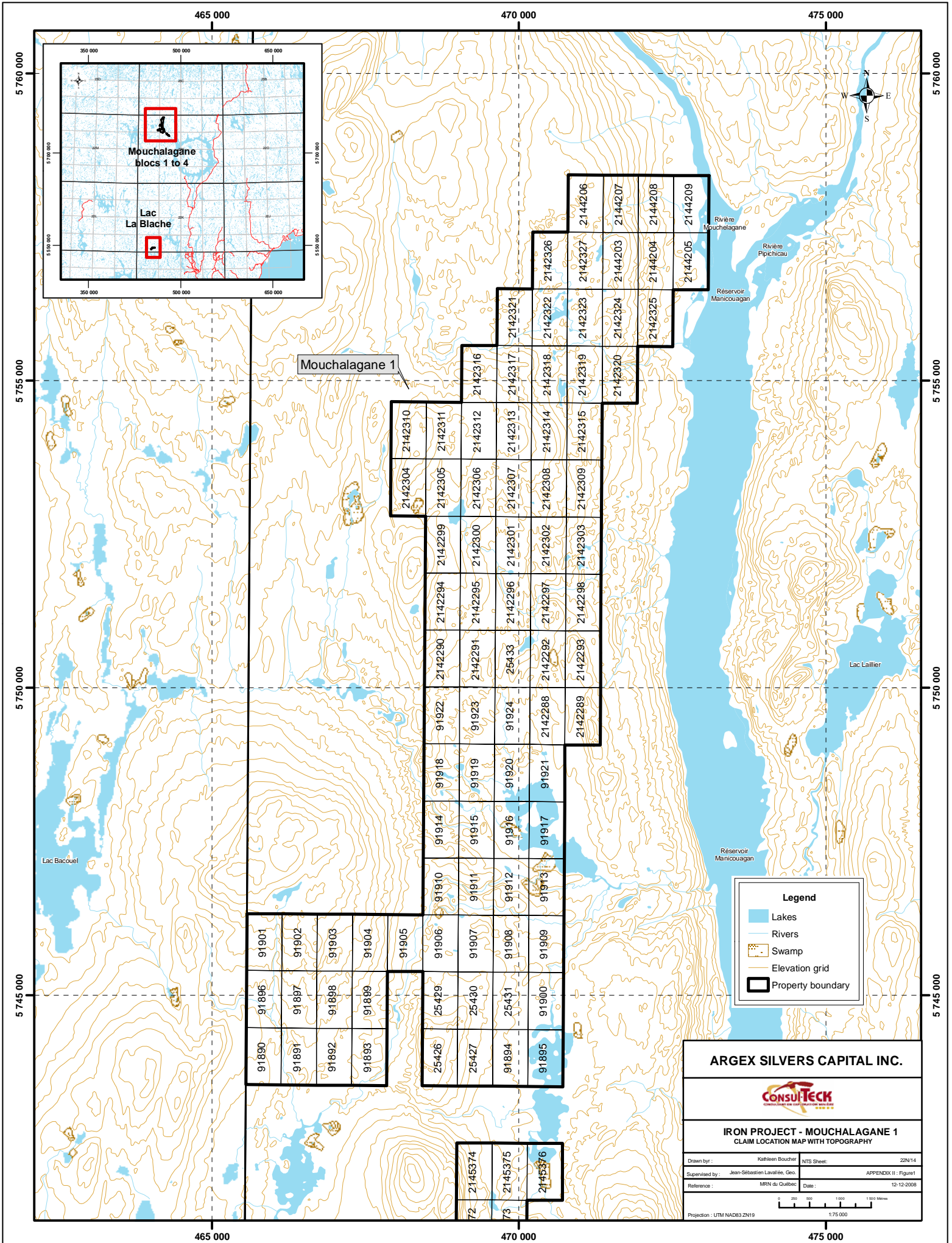
**MOUCHALAGANE 3 PROPERTY**

Claim N°	Area (ha)	Expiration date	NTS	Range	Lot	Part	Work Credits	Work necessary for renewal	Required fees for renewal	Property Owners
CDC-2144837	53.35	March 12, 2010	22N11	27	21	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144838	53.34	March 12, 2010	22N11	28	20	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144839	53.34	March 12, 2010	22N11	28	21	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144840	53.34	March 12, 2010	22N11	28	22	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144841	53.33	March 12, 2010	22N11	29	19	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144842	53.33	March 12, 2010	22N11	29	20	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
<b>6 Claims</b>	<b>320.03</b>	<b>3.20 Km<sup>2</sup></b>					<b>- \$</b>	<b>7 200.00 \$</b>	<b>300.00 \$</b>	

**MOUCHALAGANE 4 PROPERTY**

Claim N°	Area (ha)	Expiration date	NTS	Range	Lot	Part	Work Credits	Work necessary for renewal	Required fees for renewal	Property Owners
CDC-2144831	53.38	March 12, 2010	22N11	24	28	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144832	53.37	March 12, 2010	22N11	25	25	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144833	53.37	March 12, 2010	22N11	25	26	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144834	53.37	March 12, 2010	22N11	25	27	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144835	53.36	March 12, 2010	22N11	26	24	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
CDC-2144836	53.36	March 12, 2010	22N11	26	25	0	- \$	1 200.00 \$	50.00 \$	EXPLORATION J.F. INC.
<b>6 Claims</b>	<b>320.21</b>	<b>3.20 Km<sup>2</sup></b>					<b>- \$</b>	<b>7 200.00 \$</b>	<b>300.00 \$</b>	

**APPENDIX II**  
**MOUCHALAGANE CLAIM LOCATION MAP**




Mouchalagane 1

**Legend**

- Lakes
- Rivers
- Swamp
- Elevation grid
- Property boundary

**ARGEX SILVERS CAPITAL INC.**

  
CONSULTING IN THE OIL & GAS SECTOR

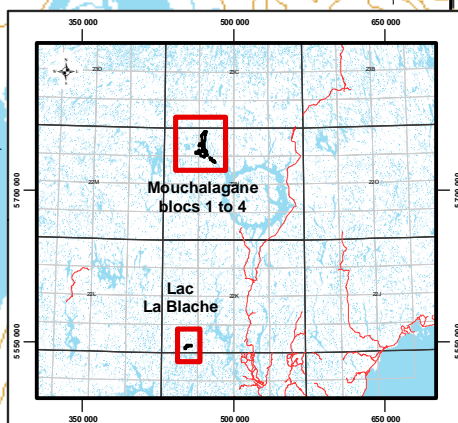
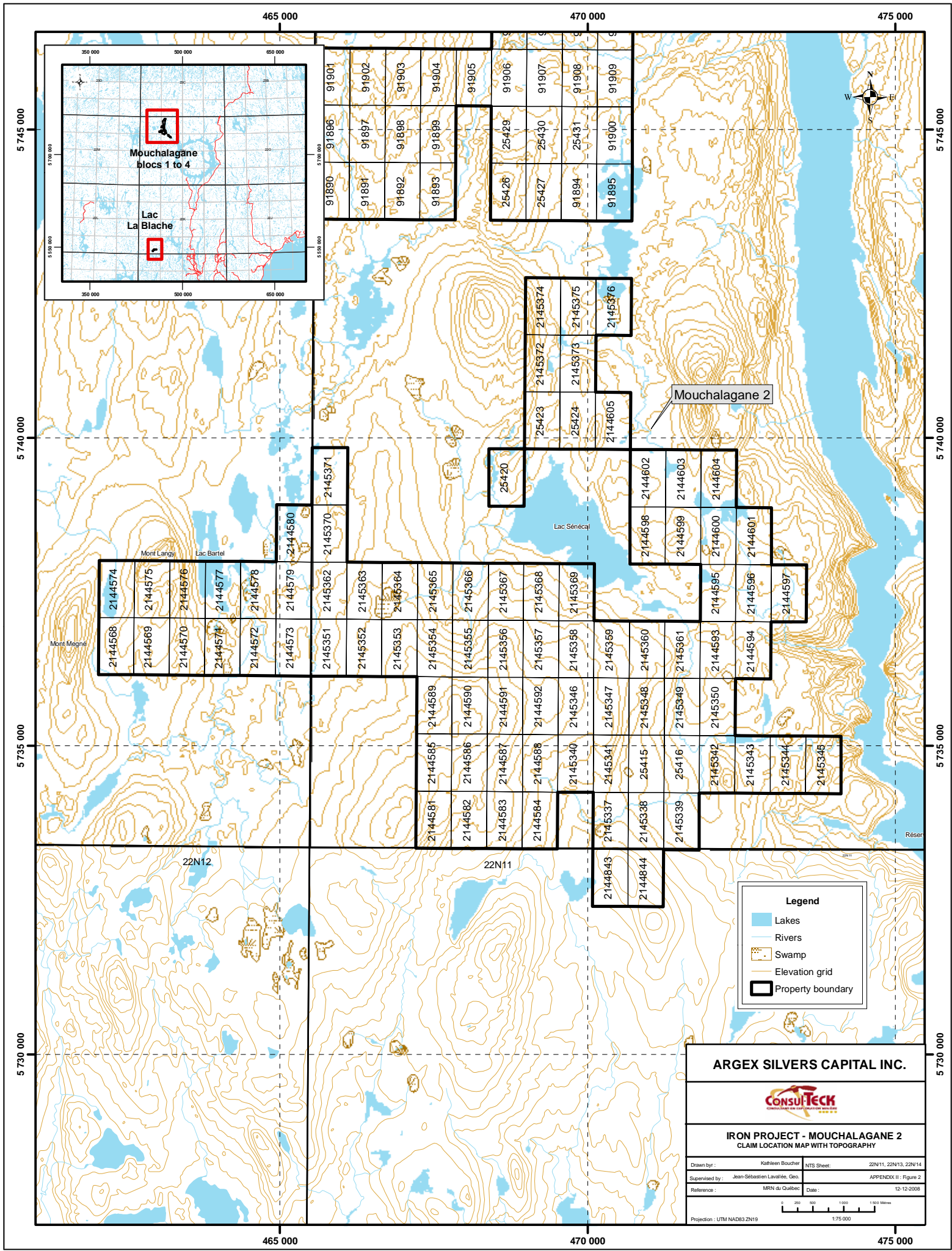
**IRON PROJECT - MOUCHALAGANE 1**  
CLAIM LOCATION MAP WITH TOPOGRAPHY

Drawn by:	Kathleen Boucher	NTS Sheet:	22N/14
Supervised by:	Jean-Sébastien Lavallée, Geo.	APPENDIX II - Figure 1	
Reference:	MRN du Québec	Date:	12-12-2008

Projection: UTM NAD83 ZN19

1:75 000


91890	91896	91901	91902	91897	91898	91899	91903	91904	91905	91906	91907	91908	91909
25426	25429	25430	25431	91910	91911	91912	91913	91914	91915	91916	91917	91918	91919
25427	91922	91923	91924	2142290	2142291	2142292	2142293	2142294	2142295	2142296	25433	2142288	2142289
91894	91895	2142300	2142301	2142302	2142303	2142304	2142305	2142306	2142307	2142308	2142309	2142310	2142311
2145374	2145375	2145376	2142312	2142313	2142314	2142315	2142316	2142317	2142318	2142319	2142320	2142321	2142322
			2142323	2142324	2142325	2142326	2142327	2144206	2144207	2144208	2144209		



**Legend**

- Lakes
- Rivers
- Swamp
- Elevation grid
- Property boundary

**ARGEX SILVERS CAPITAL INC.**

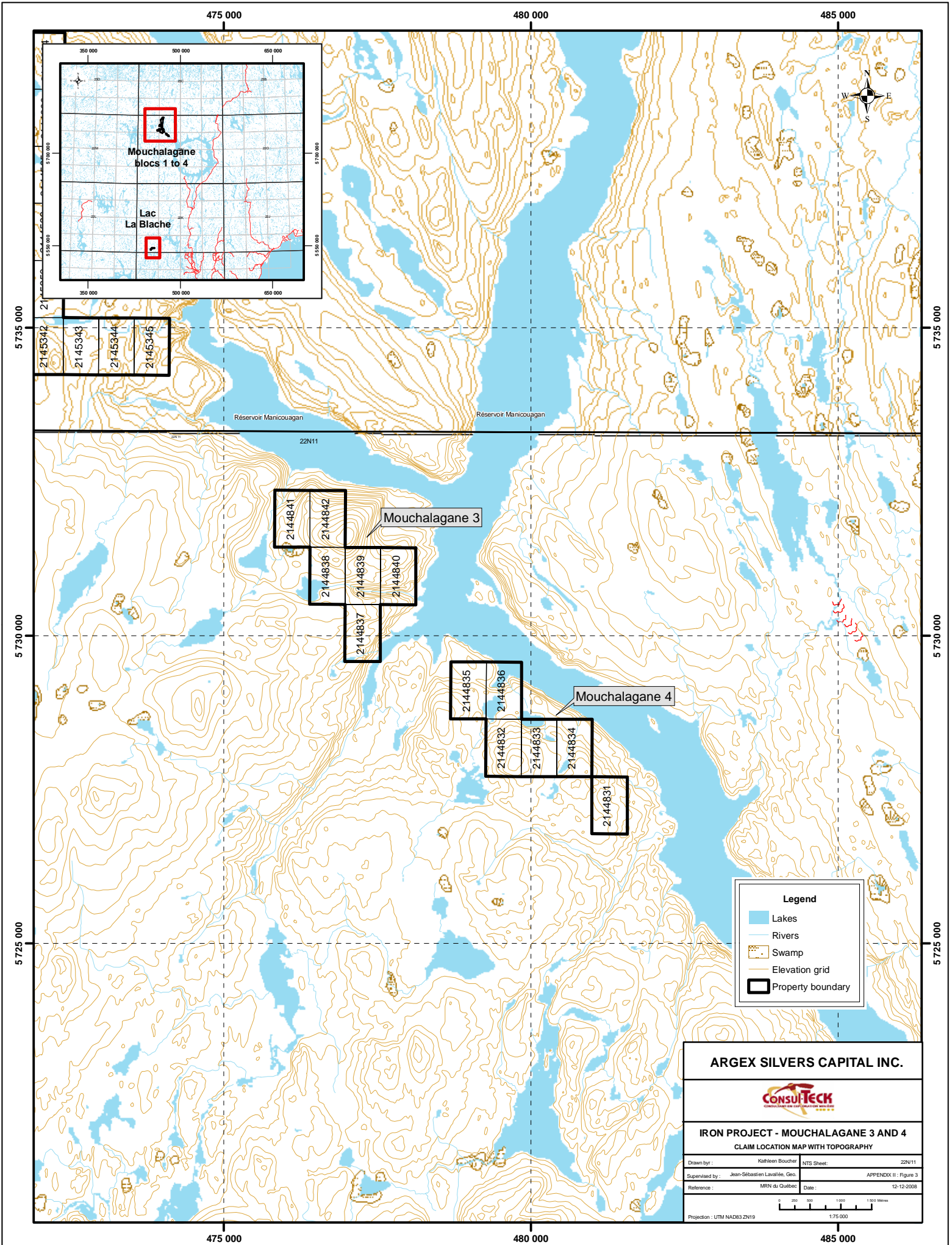


**IRON PROJECT - MOUCHALAGANE 2**  
CLAIM LOCATION MAP WITH TOPOGRAPHY

Drawn by:	Kathleen Boucher	NTS Sheet:	22N11, 22N13, 22N14
Supervised by:	Jean-Sébastien Lavallée, Geo.	APPENDIX II - Figure 2	
Reference:	MRN du Québec	Date:	12-12-2008

Projection: UTM NAD83 ZN19





**ARGEX SILVERS CAPITAL INC.**



**IRON PROJECT - MOUCHALAGANE 3 AND 4**  
CLAIM LOCATION MAP WITH TOPOGRAPHY

Drawn by:	Kathleen Boucher	NTS Sheet:	22N11
Supervised by:	Jean-Sébastien Lavallée, Geo.	APPENDIX II: Figure 3	
Reference:	MRN du Québec	Date:	12-12-2008



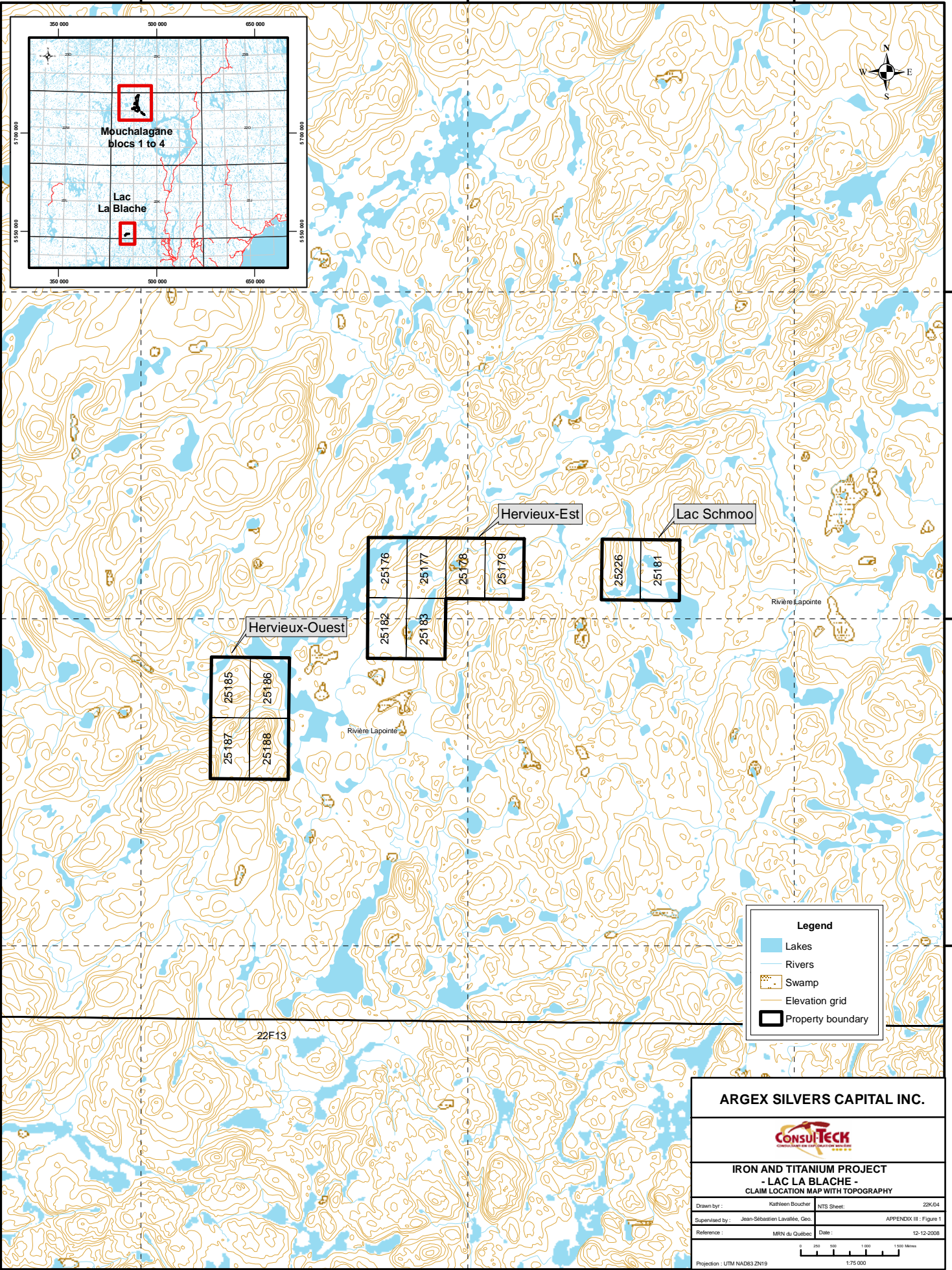
APPENDIX III

LAC LA BLACHE CLAIM LOCATION MAP

450 000

455 000

460 000



5 550 000

5 550 000

5 545 000

5 545 000

5 540 000


5 540 000

22F13

**Legend**

- Lakes
- Rivers
- Swamp
- Elevation grid
- Property boundary


**ARGEX SILVERS CAPITAL INC.**



**IRON AND TITANIUM PROJECT  
- LAC LA BLACHE -  
CLAIM LOCATION MAP WITH TOPOGRAPHY**

Drawn by: Kathleen Boudier	NTS Sheet:	22K04
Supervised by: Jean-Sébastien Lavallée, Geo.		APPENDIX B : Figure 1
Reference: MRN du Québec	Date:	12-12-2008

Projection: UTM NAD83 ZN19



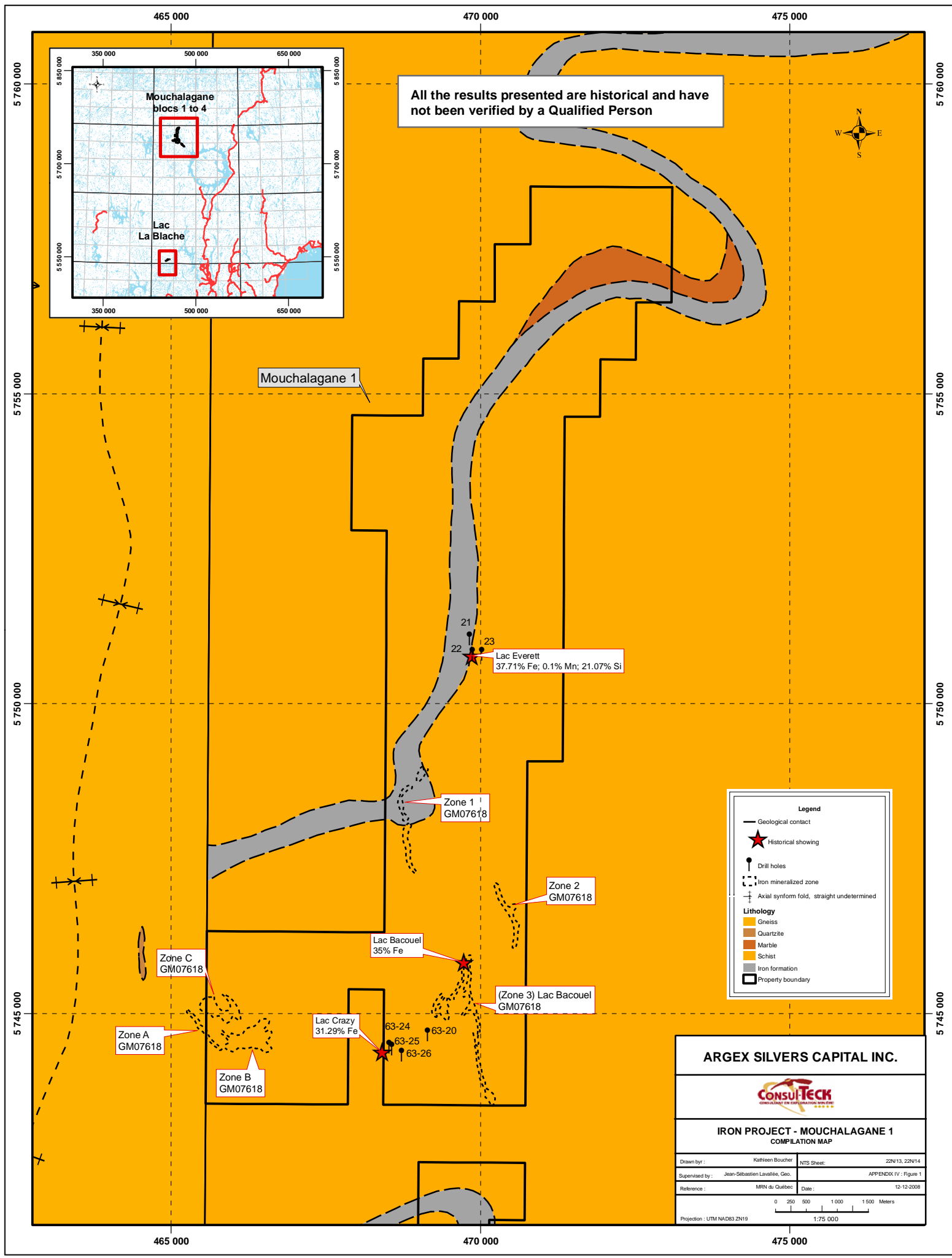
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450 000

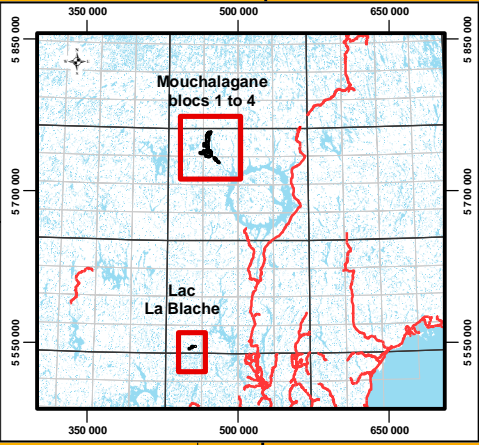
455 000

460 000

APPENDIX IV  
COMPILATION MAP MOUCHALAGANE PROPERTY



All the results presented are historical and have not been verified by a Qualified Person



Mouchalagane 1

Zone 1  
GM07618

Lac Everett  
37.71% Fe; 0.1% Mn; 21.07% Si

Zone 2  
GM07618

Lac Bacouel  
35% Fe

(Zone 3) Lac Bacouel  
GM07618

Zone C  
GM07618

Lac Crazy  
31.29% Fe

Zone A  
GM07618

Zone B  
GM07618

**Legend**

- Geological contact
- Historical showing
- Drill holes
- Iron mineralized zone
- Axial synform fold, straight undetermined

**Lithology**

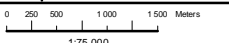
- Gneiss
- Quartzite
- Marble
- Schist
- Iron formation
- Property boundary

**ARGEX SILVERS CAPITAL INC.**



**IRON PROJECT - MOUCHALAGANE 1  
COMPILATION MAP**

Drawn by: Kathleen Boucher	NTS Sheet: 22N13, 22N14
Supervised by: Jean-Sébastien Lavallée, Geo.	APPENDIX IV : Figure 1
Reference: MRN du Québec	Date: 12-12-2008



465 000

470 000

475 000

5 760 000

5 755 000

5 750 000

5 745 000

5 760 000

5 755 000

5 750 000

5 745 000

465 000

470 000

475 000

5 745 000

5 740 000

5 735 000

5 730 000

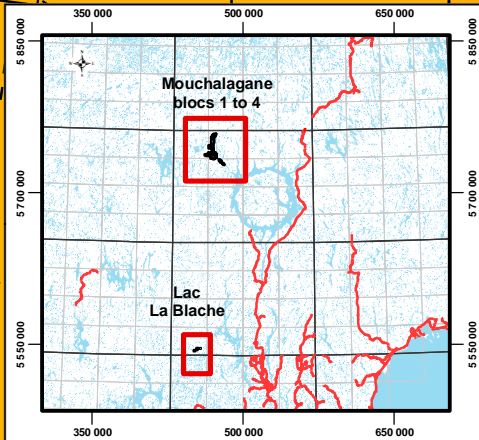
5 745 000

5 740 000

5 735 000

5 730 000

All the results presented are historical and have not been verified by a Qualified Person



Lac Bacouel  
35% Fe

(Zone 3) Lac Bacouel  
GM07618

Lac Crazy  
31.29% Fe

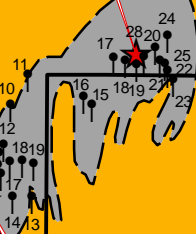
63-24  
63-25  
63-20  
63-26

Zone B  
M07618

Lac Parr Nord  
21.12% Fe; 25.49% Fe; 21.02% Fe;  
27.57% Fe; 21.85% Fe

P-2  
P-1  
P-3  
P-4  
P-5

Lac Hummingbird  
31.75% Fe



Mont South  
32.42% Fe

Mouchalagane 2

PM-9  
M63-5  
M63-9  
DH  
P-7  
M63-08  
M63-7  
P-9  
P-11  
M63-2  
M63-4  
PM-11  
PM-10  
M63-03  
M63-6  
P-8  
M63-1  
P-10

Lac Parr Sud  
35.05% Fe; 18.64% Si;  
28.77% Fe; 37.66% Fe

**Legend**

- Geological contact
- Historical showing
- Drill holes
- Iron mineralized zone
- Axial synform fold, straight undetermined

**Lithology**

- Granite
- Gneiss
- Paragneiss
- Quartzite
- Marble
- Schist
- Iron formation
- Sable
- Property boundary

ARGEX SILVERS CAPITAL INC.



IRON PROJECT - MOUCHALAGANE 2  
COMPILATION MAP

Drawn by:	Kathleen Boucher	NTS Sheet:	22N11, 22N13, 22N14
Supervised by:	Jean-Sébastien Lavalée, Geo.	APPENDIX IV - Figure 2	
Reference:	MRN du Québec	Date:	12-12-2008
Projection: UTM NAD83 ZN19			

465 000

470 000

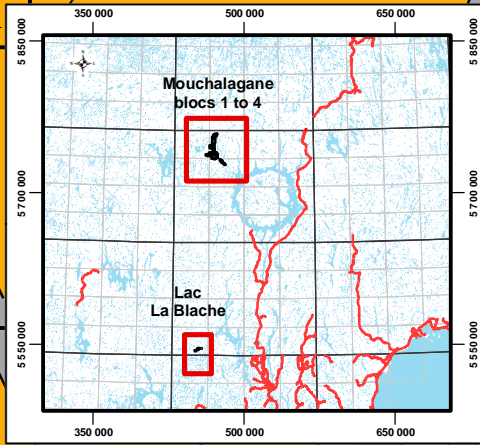
475 000

475 000

480 000

5 740 000

5 740 000



All the results presented are historical and have not been verified by a Qualified Person



5 735 000

5 735 000

- PM-9
- M63-5
- M63-2
- M63-4
- PM-11
- PM-10
- M63-08
- M63-03
- M63-7
- M63-6
- P-9
- P-8
- M63-1
- P-11
- P-10

Lac Parr Sud  
35.05% Fe; 18.64% Si;  
28.77% Fe; 37.66% Fe

22N11

Mouchalagane 3

Riv. Monelle-Zones A,B  
35.95% Fe

Mo 1  
0.48% Zn; 2.7 ppm Ag

Riv. Monelle-Zone C  
35% Fe

Mouchalagane 4

5 730 000

5 730 000

5 725 000

5 725 000

**Legend**

- Geological contact
- - - Fault
- ★ Historical showing
- Drill holes

**Lithology**

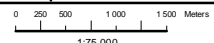
- Orange square: Gneiss
- Brown square: Quartzite
- Dark brown square: Marble
- Light brown square: Schist
- Grey square: Iron formation
- Black outline: Property boundary

ARGEX SILVERS CAPITAL INC.



**IRON PROJECT - MOUCHALAGANE 3 AND 4**  
COMPILATION MAP

Drawn by: Kathleen Boucher	NTS Sheet: 22N11
Supervised by: Jean-Sébastien Lavalée, Geo.	APPENDIX IV : Figure 3
Reference: MRN du Québec	Date: 12-12-2008



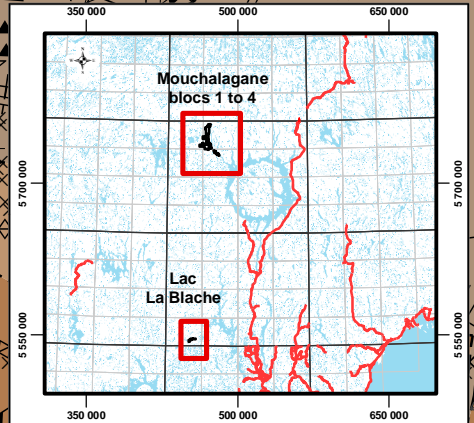
Projection: UTM NAD83 ZN19

475 000

480 000

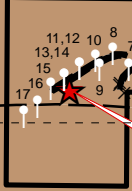
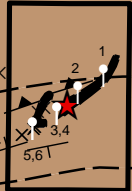
APPENDIX V  
COMPILATION MAP LAC LA BLACHE PROPERTY

All the results presented are historical and have not been verified by a Qualified Person



- Structure symbols**
- Lincation, primary mineral
  - Lincation, stretching
  - Dip, inclined
  - Dip, vertical
  - Dip, unknown
  - Schistosity, inclined (S1)
  - Foliation, primary inclined
  - Foliation, primary vertical
  - Foliation, primary, dip unknown
  - Foliation, mineral inclined
  - Foliation, mineral vertical
  - Foliation, mineral vertical, dip unknown
  - Gneissosity
  - Tectonic bedding
  - Foliation, vertical
  - Gneissosity, dip unknown
  - Foliation, mylonitic
  - Vein, inclined
  - Dyke, inclined
  - Dyke, vertical
  - Dyke, inclined, dip unknown
  - Fault, inclined, undetermined
  - Shear zone

- Legend**
- Geological contact
  - Fault
  - Historical showing
  - Drill holes
  - Synclinal fold, position certain or probable
- Lithologie**
- Hypersthene monzonite
  - Anorthosite
  - Norite
  - Troctolite
  - Gabbronorite
  - Magnetite
  - Gneiss
  - Property boundary



Lac Schmoo  
49.74% FE; 19.35% TiO<sub>2</sub>; 0.20% V

Hervieux-Est

Lac Schmoo  
18,19,20

Hervieux Est  
51.34% FE; 20.09% TiO<sub>2</sub>; 0.21% V

**ARGEX SILVERS CAPITAL INC.**

**IRON AND TITANIUM PROJECT  
- LAC LA BLACHE -  
COMPILATION MAP**

Drawn by: Kathleen Boucher	NTS Sheet: 22K/04
Supervised by: Jean-Sébastien Lavallée, Geo.	APPENDIX V - Figure 1
Reference: MRN du Québec	Date: 12-12-2008

Projection: UTM NAD83 ZN19

APPENDIX VI

PURCHASE AGREEMENT BETWEEN ARGEX CAPITAL INC ,JEAN FORTIN , FANCAMP  
EXPLORATION, SHERIDAN PLATINIUM GROUP AND 7013833 CANADA CORP.

**ARGEX SILVER CAPITAL INC.**  
2020 University Street  
Suite 2000  
Montreal, Quebec  
H3A 2A5

November 10, 2008

**7013833 CANADA CORP.**  
2020 University Street  
Suite 2000  
Montreal, Quebec  
H3A 2A5

Attention: Mr. François Dumas

Dear Sirs:

**Re: Transaction Proposal and Exclusivity Agreement (the "Letter Agreement")**

---

Further to our discussions, this Letter Agreement will serve as an agreement between Argex Silver Capital Inc. ("**Argex**"), on the one part, and 7013833 Canada Corp. ("**Vendor**"), on the other part, with respect to the proposed acquisition (the "**Transaction**") by Argex from Vendor of the assets set forth in Schedule A hereto (the "**Assets**"), on the terms set out herein.

**1. Price and Structure of Transaction**

Argex will purchase from Vendor all rights, title and interest in and to the Assets, free and clear of all encumbrances, for an aggregate consideration of up to \$7,030,000 (the "**Purchase Price**").

The Purchase Price shall be payable at closing by Argex as follows:

- (a) \$780,000 in cash; and
- (b) up to 25,000,000 common shares in the share capital of Argex (the "**Payment Shares**") with a deemed issue price of \$0.25 per share.

Pursuant to the Transaction, Argex will assume all of the rights and obligations of the Vendor under those contracts set forth in Schedule B hereto (the "**Contracts**") pursuant to which the Vendor previously acquired a 100% interest in and to the Assets. The Vendor agrees that 14,000,000 Payment Shares shall be issued to the holders of its preferred shares in full satisfaction of the obligations in respect thereto under the Contracts. The balance of the Payment Shares shall be, upon closing of the Transaction, immediately distributed to the holders of the Vendor's common shares by way of dividend. Furthermore, the Vendor agrees that the balance of the Payment Shares distributed to the holders of the Vendor's common shares will be escrowed for a minimum of 36 and a maximum of 72 months, post-Transaction, or such other escrow period as may be imposed by the TSX Venture Exchange. The Vendor agrees to obtain escrow agreements from all of its common shareholders in this respect.

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Argex and Vendor hereby acknowledge and agree to work together in respect of a concurrent private equity offering of units of Argex (the "Units") for minimum gross proceeds of \$5,000,000 and maximum gross proceeds of \$15,000,000 (the "Financing"), the whole to be conducted on a best efforts basis. Each Unit shall consist of:

- (a) one flow-through common share in the capital of Argex and one common share purchase warrant, such Unit to be offered at a price of \$0.25 per Unit; or
- (b) one non flow-through common share in the capital of Argex and one common share purchase warrant, such Unit to be offered at a price of \$0.25 per Unit.

Each warrant forming part of the Units will entitle the holder thereof to acquire one non flow-through common share in the share capital of Argex at a price of \$0.40 per share at any time prior to the date that is 24 months from the date of issuance. In the event that the volume-weighted average price of the common shares of Argex trade at or above \$0.60 for 20 consecutive trading days, after the expiry of the four-month hold on the Units described above, then Argex will have the option to force conversion of the warrants by giving the warrant holders 10 days' notice.

Argex and Vendor hereby acknowledge that Vendor has signed a finder's fee agreement with Gemme Manicouagan Inc. (the "Finder"), whereby Vendor agreed to pay Finder a cash fee upon completion of a Qualifying Transaction or other such going-public event involving Vendor. Argex agrees to pay Finder a cash fee as follows upon consummation of the Qualifying Transaction and Financing: 10% on the first \$300,000 of deemed acquisition price, 7.5% on deemed acquisition price between \$300,000 and \$1,000,000, and 5% on the remainder of deemed acquisition price. Such finder's fee is subject to approval of the TSX Venture Exchange and other regulatory authorities, as required.

## 2. Definitive Agreements

The parties will begin to prepare drafts of the legal documents necessary to effect the Transaction and the Financing. The parties shall use their good faith efforts to complete and be in a position to execute definitive agreements relating to the Transaction and the Financing (the "Definitive Agreements") no later than December 12, 2008 or such later time and date as may be mutually agreed to by the parties in writing.

Closing of the Financing and Transaction would be targeted to occur on or about December 30, 2008 or such other date, earlier or later, as may be mutually agreed to by the parties.

The Definitive Agreements shall be mutually acceptable to Argex and Vendor and shall be substantially in the form customarily used for such a document, including customary representations and warranties and conditions.

Vendor hereby represents and warrants that each of the Assets is currently in good standing and that Vendor is the recorded title holder of the Assets.

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Without limitation, the Definitive Agreements shall provide that the obligations to complete the Transaction shall be conditional on, among other things:

- (a) Vendor having prepared and provided a technical report in the English language in respect of the Assets in accordance with *Regulation 43-101 respecting standards of disclosure for mineral projects* (the "**Technical Report**");
- (b) receipt by the parties of all required third party approvals;
- (c) the parties having used their good faith efforts to prepare all necessary disclosure and filing documentation in respect of the Transaction and Financing and receipt by the parties of all regulatory approvals (including relevant stock exchanges);
- (d) required approval by the shareholders of Vendor;
- (e) approval by the board of directors of Argex and Vendor;
- (f) completion by Argex of a satisfactory due diligence on Vendor and the Assets pursuant to paragraph 8 of this Letter Agreement; and
- (g) if required by the TSX Venture Exchange, a qualified Sponsor (as defined under the TSX Venture Exchange Manual) shall accept to sponsor the Transaction and shall file with the TSX Venture Exchange at its entire satisfaction a Sponsor Report (as defined under the TSX Venture Exchange Manual).

### 3. Other Matters respecting Argex

The parties agree that upon completion of the Transaction, Argex will be organized as follows:

**Name** - Argex Silver Capital Inc. (the "**Resulting Issuer**").

**Directors** - The board of directors of the Resulting Issuer will be comprised of five members as follows:

Mark Billings;  
Michael Curtis;  
Roy Bonnell;  
Peter H. Smith; and  
Tony Garson.

**Officers** - The following persons will be the initial officers of the Resulting Issuer:

Michael Curtis - Chief Executive Officer  
Mark Billings - Chief Financial Officer

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**Corporate Offices** - The principal place of business and head office of the Resulting Issuer will be in Montreal except if agreed otherwise by the parties.

#### 4. Loan and Technical Report

Vendor acknowledges that Argex has advanced to Vendor as of October 20, 2008, the sum of \$25,000 (the "Advance") in order for Vendor to prepare the Technical Report and/or to secure iron ore claims. Vendor agrees that the Advance shall bear interest at the rate of 10% per annum and shall be repayable on demand. Vendor further agrees and acknowledges that no portion of the Advance shall be used for any purpose other than the preparation of the Technical Report or to secure iron ore claims.

As further consideration for the Advance, Vendor hereby agrees and acknowledges that the Technical Report shall, at all times, constitute and remain the sole property of Argex.

#### 5. Business Activities

Each of Argex and Vendor agrees that during the period from the date of execution of this Letter Agreement until the earlier of (i) the date of the execution of the Definitive Agreements, and (ii) the date on which this Letter Agreement is terminated, except as required by law, as otherwise expressly permitted or specifically contemplated by this Letter Agreement or with the prior written consent of the other party, it:

- (a) shall conduct its business only in the usual and ordinary course of business, consistent with past practices and it shall use all commercially reasonable efforts to maintain and preserve its business, assets and advantageous business relationships;
- (b) shall not (i) amend its articles or by-laws; (ii) declare, set aside or pay any dividend or make any other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iii) issue or agree to issue any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares, other than the issuance of shares or securities pursuant to the Financing or the exercise of currently outstanding employee stock options; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) split, combine or reclassify any of its shares; (vi) adopt a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization; or (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;
- (c) shall not, except as previously disclosed or contemplated by this Letter Agreement, or without prior consultation with and the consent of the other party, such consent not to be unreasonably withheld, directly or indirectly (i) sell, pledge, dispose of or encumber any assets (other than in the ordinary course of business) having an individual value in excess of \$100,000; (ii) expend or commit

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to expend more than \$50,000 individually or \$200,000 in the aggregate with respect of any capital expenditures (other than in the ordinary course of business); (iii) expend or commit to expend any amounts with respect to any operating expenses (other than in the ordinary course of business); (iv) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment therein either by purchase of shares or securities, contributions of capital or property transfer; (v) acquire any assets with an acquisition cost in excess of (A) \$50,000 individually or (B) \$200,000 in the aggregate (other than in the ordinary course of business); (vi) incur any indebtedness for borrowed money in excess of existing credit facilities, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or entity, or make any loans or advances, other than in respect of fees payable to legal, financial and other advisors in the ordinary course of business or in respect of the Transaction; (vii) authorize any release or relinquishment of any material contract right (other than in the ordinary course of business); (viii) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document (other than in the ordinary course of business); (ix) enter into or terminate any hedges, swaps or other financial instruments or like transactions (other than in the ordinary course of business); or (x) authorize any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

- (d) shall not make any payment to any employee, officer or director outside of their ordinary and usual compensation for services provided;
- (e) shall not grant any officer, director or employee an increase in compensation in any form, grant any general salary increase, take any action with respect to the amendment or grant of any severance or termination pay policies or arrangements for any directors, officers or employees (other than to permit accelerated vesting of currently outstanding stock options), or make any loan to any officer, director or any other party not at arm's length;
- (f) shall not adopt or amend or make any contribution to any bonus, cost plus employee benefit plan, profit sharing, option, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;
- (g) shall use its commercially reasonable efforts to maintain in force its current insurance policies and will pay all premiums in respect of such insurance policies that become due after the date hereof; and

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- (h) shall not take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Letter Agreement, which might directly or indirectly interfere or affect the consummation of the Transaction and the Financing.

## 6. Non-Solicitation

Each of Argex and Vendor agrees that during the period from the date of execution of this Letter Agreement until the earlier of (i) the date of the execution of the Definitive Agreements, and (ii) the date on which this Letter Agreement is terminated, it:

- (a) shall immediately cease and cause to be terminated any existing discussions or negotiations or other proceedings initiated prior to the date hereof by it, or its officers, directors, employees, financial advisors, representatives and agents ("Representatives") or others with respect to all Take-over Proposals (as defined below);
- (b) shall not solicit or cause or facilitate anyone else to solicit any Take-over Proposal;
- (c) shall not provide information concerning its securities, assets or business to anyone for or in furtherance of anything mentioned in subparagraphs 6(a) or 6(b);
- (d) shall not release any person from any confidentiality or standstill agreement to which it and such person are parties or amend any such agreement; and
- (e) shall not, and shall not authorize or permit any of its Representatives to, directly or indirectly, solicit, initiate or encourage (including by way of furnishing information) any inquiries or the making of any proposal that constitutes or may reasonably be expected to lead to a Take-over Proposal from any person, or engage in any discussion, negotiations or inquiries relating thereto or accept any Take-over Proposal.

For the purposes of this Letter Agreement, "Take-over Proposal" means a proposal or offer by a third person, whether or not subject to a due diligence or other condition and whether or not in writing, to acquire in any manner, directly or indirectly, beneficial ownership of all or a material portion of the assets of Argex or Vendor, as the case may be, or any of their respective subsidiaries or to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 20% of the outstanding voting shares of Argex or Vendor, as the case may be, whether by way of takeover bid, arrangement, amalgamation, merger, consolidation or other business combination, including without limitation, any single or multi-step transaction or series of related transactions that is structured to permit such third person to acquire beneficial ownership of all or a material portion of its asset or any of the subsidiaries or to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 20% of its outstanding voting shares and includes any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or

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reorganization into a royalty trust or income fund or similar transaction or other business combination involving Argex or Vendor, as the case may be, or their respective subsidiaries or any proposal, offer or agreement to acquire 20% or more of the assets of Argex or Vendor, as the case may be; provided that the Financing shall not be interpreted as a Take-over Proposal.

Notwithstanding the above or any other term of this Letter Agreement, each of Argex and Vendor may:

- (a) engage in discussions or negotiations with any person who (without any solicitation, initiation or encouragement, directly or indirectly, by Argex or Vendor, as the case may be, or its Representatives) seeks to initiate such discussions or negotiations and may furnish such third person information concerning it and its business, properties and assets that has previously been provided to the other party, provided that:
  - (i) the other person has first made a *bona fide* written Take-over Proposal that the board of directors has determined in good faith would, if consummated in accordance with its terms, likely result in a transaction that is more favourable from a financial point of view to its shareholders (solely in their capacity of shareholders) than the Transaction and the Financing (a "**Superior Proposal**") after taking into account the advice of a financial advisor and after taking into account any other relevant factors permitted by applicable law (including the likelihood of obtaining financing and regulatory approval for such proposal and the likelihood of consummating such proposal);
  - (ii) prior to furnishing such information to or entering into discussions or negotiations with such person or entity, and in any event, as soon as reasonably practicable, it provides notice orally and in writing to the other party hereto specifying that it is furnishing information to or entering into discussions or negotiations with such person or entity in respect to a Superior Proposal, receives from such person or entity an executed confidentiality agreement having confidentiality and standstill terms substantially similar to those contained herein and provides such other party hereto with a copy of such Superior Proposal and any amendments thereto and confirms in writing the determination of its board of directors that the Take-over Proposal, if completed, would constitute a Superior Proposal;
  - (iii) it provides notice to the other party at such time as it or such person or entity terminates any such discussions or negotiations; and
  - (iv) as soon as reasonably practicable, it provides or makes available to the other party any information provided to any such person or entity whether or not previously made available to such other party;

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- (b) accept, recommend, approve or implement a Superior Proposal from a third person, but only (in the case of this subparagraph 6(b)) if prior to such acceptance, recommendation, approval or implementation, its board of directors shall have concluded in good faith, after receiving the advice of outside counsel, that the taking of such action is necessary for the board of directors in discharge of its fiduciary duties under applicable law and it concurrently terminates this Letter Agreement pursuant to subparagraph 12(b).

Each of Argex, on the one hand, and Vendor, on the other hand, shall give the other party hereto notice of any agreement (and the terms of such agreement) proposed to be entered into to implement a Superior Proposal. For a period of three business days from the time that Argex or Vendor (in this paragraph, the "**Notifying Party**"), as the case may be, provides notice of such Superior Proposal to the other party hereto and any amendment thereto, together with the foregoing confirmation in respect of the board of directors' determination pursuant to subparagraph 6(a)(i), the board of directors of the Notifying Party and the Notifying Party agree not to accept, recommend or approve or enter into any agreement (a "**Proposed Agreement**") to implement such a Superior Proposal or release the party making the Superior Proposal from any standstill provisions. In addition, in respect of any Superior Proposal, the Notifying Party shall and shall cause its financial and legal advisors to negotiate in good faith with the other party hereto to make such adjustments in the terms and conditions of this Letter Agreement and the terms of the Transaction as would enable the other party hereto to proceed with the transaction contemplated herein, as amended, rather than the Superior Proposal. In the event such other party hereto proposes to amend this Letter Agreement and the terms of the Transaction to provide equal or superior value to that provided under the Superior Proposal within a period of three business days from the time that such other party receives notice of the Superior Proposal from the Notifying Party as aforesaid and a copy of the Proposed Agreement (and any amendments thereto), the Notifying Party shall not enter into any Proposed Agreement regarding the Superior Proposal or any amendment thereof.

## 7. Shareholders' Meetings

In the event where any party hereto would be required by applicable law to hold any special shareholders' meetings to approve the Transaction, such party shall do so as expeditiously as possible following the execution of the Definitive Agreements, and the parties will work together to prepare common materials for such shareholders' meetings.

## 8. Due Diligence

Without limiting the generality of any of the other provisions of this Letter Agreement, each of Argex, on the one hand, and Vendor, on the other hand, is entitled to complete its due diligence in respect of the other party's business, operations, assets, prospects, financial condition and affairs.

Each of Argex, on the one hand, and Vendor, on the other hand, will make available to the other all land, legal, title documents and related files, geologic maps, books, papers, financial

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information and pertinent documents or agreements relating to the above matters, and shall provide reasonable physical access to all assets.

In addition, each of the parties agrees to:

- (a) permit the legal and professional representatives and agents of the other party full access to its books, records and documents provided that the disclosing party is satisfied, acting reasonably, that the confidentiality of the subject matter of the disclosure can be maintained in accordance with the confidentiality provisions contained herein; and
- (b) endeavour to include in the information furnished to the other party or obtained by the other party in the course of the aforesaid investigations, all information which would reasonably be considered to be relevant for the purposes of the other party's investigation and not knowingly withhold any information which would make anything contained in the information delivered erroneous or misleading.

The parties shall use all reasonable commercial efforts to complete all due diligence by December 12, 2008 (unless the parties mutually agree to extend such period). Upon completion of their respective due diligence reviews, each party shall advise the other party in writing as to whether its due diligence review has resulted in a discovery of adverse information with respect to the business and affairs of such other party that the first party considers significant, taken as a whole, that had not been previously disclosed and giving the details of any such information. In such circumstances, Argex or Vendor shall, in the same letter indicate whether, in view of such significant information, it is terminating this Letter Agreement (with no obligation to either party hereto).

## 9. Confidentiality

- (a) Each party hereto recognizes that it is essential to the success of each of the other parties hereto that their business and affairs be kept in the strictest confidence. The party receiving information (the "**Receiving Party**") from one of the other parties (the "**Disclosing Party**") shall keep all information pertaining to or concerning the Disclosing Party (other than as hereinafter provided) in the strictest confidence and shall not utilize or make available any such information directly or indirectly in connection with any business or activity in which the Receiving Party is or proposes to be involved, and shall not disclose any of that information to any person other than:
  - (i) as required by courts of competent jurisdiction, stock exchange rules or policies of or undertakings given to governmental entities having jurisdiction;
  - (ii) as required by law; or

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- (iii) to a governmental entity to which the disclosure is required by law and where there is no reasonable means to avoid that disclosure.
- (b) The standard of care for protecting confidential information under paragraph 9(a) shall be that degree of reasonable care which the Receiving Party would use to prevent disclosure, publication or dissemination of the Receiving Party's own proprietary or confidential information,
- (c) The Receiving Party shall not be obligated to keep in confidence nor shall it incur any liability for disclosure of information to a third party (the "**Recipient**") of the nature aforesaid which:
  - (i) has become known or available to the Recipient in carrying on its business in the ordinary course without a breach of this Letter Agreement, or as required by law;
  - (ii) was permitted to be disclosed by the Disclosing Party;
  - (iii) has been public or is otherwise within the public domain at the time of its disclosure to the Recipient;
  - (iv) comes into the public domain without any breach of this Letter Agreement; or
  - (v) becomes known or available to the Recipient other than as a result of the activities of the Receiving Party but without any breach of this Letter Agreement.
- (d) In the event of a breach of any covenant contained in this section, the Disclosing Party shall be entitled to an injunction restricting that breach or otherwise specifically to enforce any of those covenants in addition to any other remedies provided by law. Any remedy expressly set forth in this Letter Agreement shall be in addition to and not exclusive of or dependant on the exercise of any other remedy available to the Disclosing Party at law or otherwise.
- (e) The Receiving Party shall be responsible for any breach by it, its representatives, agents and advisors of the covenants and obligations provided in this section of this Letter Agreement.

## 10. Material Changes

From and after the date of execution of this Letter Agreement until the earlier of (i) the date of the execution of the Definitive Agreements, or (ii) the date on which this Letter Agreement is terminated, each of Argex, on the one hand, and Vendor, on the other hand, shall promptly notify the other party hereto in writing of any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization,

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financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise.

### **11. Announcements**

The parties agree that each of them must issue a press release and file a material change report in respect of this Letter Agreement, and agree to consult with each other on the content thereof and to use their reasonable commercial efforts to agree on a joint release in respect of such matters. Otherwise, unless otherwise required by law or regulatory authority, neither party shall, except with the prior written consent of the other party, issue any press release regarding the Transaction.

### **12. Termination**

This Letter Agreement shall terminate with the parties hereto having no further obligations to each other hereunder in the following circumstances:

- (a) by written agreement of both parties; or
- (b) by either party advising that it is terminating this Letter Agreement in accordance with paragraph 6; or
- (c) by either party advising that it is terminating this Letter Agreement if the Definitive Agreements have not been entered into by December 12, 2008; or
- (d) by either party in the event that the Financing is not completed as contemplated herein.

Notwithstanding the foregoing, the provisions of Section 4 (Loan and Technical Report), Section 9 (Confidentiality) and Section 13 (Fees and Expenses) shall survive any such termination or expiration of this Letter Agreement.

### **13. Fees and Expenses**

All fees, costs and expenses incurred in connection with this Letter Agreement and the Transaction and Financing contemplated hereby shall be paid by the party incurring such fees, costs and expenses.

### **14. Enforceability**

The parties intend that, subject to the conditions set forth herein, this Letter Agreement is binding.

### **15. Currency**

Unless otherwise indicated, all dollar amounts referred to herein refer to the currency of Canada.

**16. Applicable Law**

It is mutually understood and agreed that this Letter Agreement and the Definitive Agreements shall be governed and interpreted in all respects according to the law of the Province of Québec and the laws of Canada applicable therein.

**17. Language**

It is the express wish of the parties to this Letter Agreement that this Letter Agreement and all related documents be drafted in English. Les parties aux présentes conviennent et exigent que cette convention ainsi que tous les documents s'y rattachant soient rédigés en langue Anglais.

If the foregoing is acceptable, please execute the enclosed duplicate copy of this Letter Agreement in the space below and return it to the undersigned on or prior to 12:00 p.m. (Montreal time) on November 11, 2008, and unless that happens, this Letter Agreement shall lapse and be of no further force or effect.

Yours truly,

**ARGEX SILVER CAPITAL INC.**

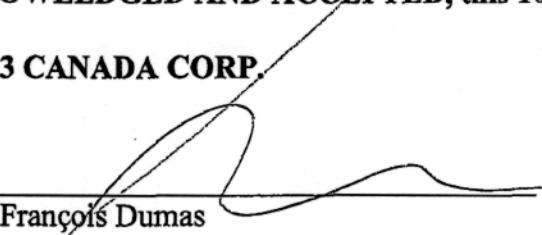
Per:

  
\_\_\_\_\_  
Mark Billings

**ACKNOWLEDGED AND ACCEPTED, this 10<sup>th</sup> day of November, 2008**

**7013833 CANADA CORP.**

Per:

  
\_\_\_\_\_  
François Dumas

**SCHEDULE A**

**[NTD: Detailed list of Assets to be inserted]**

LISTE DES TITRES

no. Feuillet	Matr. matric. définitive	Code assigné	Type de titre	Langue	Quantité	Coef. loc.	Part. e	Supplémentaire	Type de titre	No. titre	Statut de titre	Date de jugement	Descriptive	Date d'expiration	Abn. d'achat cre.	Non reu.	Suppl. (p)	Adopt. natif	Etat pers.	Titre	Débit	Admission (Nom, Numéro et Pourcentage)	Échelle des sal.	No. de titre	Stat. en jugement	Titre en jugement
SNRC 22N13			X		4	55	0	53,28	CDC	214588	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X		4	56	0	53,28	CDC	214589	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X		4	57	0	53,28	CDC	214570	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X		4	58	0	53,28	CDC	214571	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X		4	59	0	53,28	CDC	214572	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X		4	60	0	53,28	CDC	214573	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X		5	55	0	53,28	CDC	214574	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X		5	56	0	53,27	CDC	214575	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X		5	57	0	53,27	CDC	214576	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X		5	58	0	53,27	CDC	214577	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X		5	59	0	53,27	CDC	214578	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X		6	60	0	53,26	CDC	214580	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,26	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		1	4	0	53,31	CDC	214581	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,31	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		1	5	0	53,31	CDC	214582	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,31	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		1	6	0	53,31	CDC	214583	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,31	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		1	7	0	53,31	CDC	214584	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,31	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		2	4	0	53,3	CDC	214585	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,3	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		2	5	0	53,3	CDC	214586	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,3	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		2	6	0	53,3	CDC	214587	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,3	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		2	7	0	53,3	CDC	214588	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,3	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		3	4	0	53,28	CDC	214589	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		3	5	0	53,28	CDC	214590	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		3	6	0	53,28	CDC	214591	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		3	7	0	53,28	CDC	214592	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		4	12	0	53,28	CDC	214593	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		4	13	0	53,28	CDC	214594	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		5	12	0	53,27	CDC	214595	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		5	13	0	53,27	CDC	214596	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		6	10	0	53,28	CDC	214597	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		6	11	0	53,28	CDC	214598	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		6	12	0	53,28	CDC	214599	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		6	13	0	53,26	CDC	214600	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,26	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		7	10	0	53,25	CDC	214601	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,25	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		7	11	0	53,25	CDC	214602	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,25	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		7	12	0	53,25	CDC	214603	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,25	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		7	13	0	53,25	CDC	214604	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,25	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X		8	8	0	53,25	CDC	214605	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,25	Non	0	1200	50	JEAN FORTIN (003) 100 % (responsable)			Non	Non







NTS Sheet	Row/Block	Column/Lot	Area Polygon	Type of Title	Title No	Status	Date of Registration	Expiry Date	Number of Renewals	Area (Ha)	Required Work	Required Fees	Titleholder(s) (Name, Number and Percentage)	Renewal File Being Processed
NTS 22K04	8	43 55.27		CDC	25176	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	8	44 55.27		CDC	25177	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	8	45 55.27		CDC	25178	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	8	46 55.27		CDC	25179	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	8	47 55.27		CDC	25180	Active	6/23/2004 0:00	6/22/2008 23:59	1	55.27	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes
NTS 22K04	8	50 55.27		CDC	25181	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	7	43 55.28		CDC	25182	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.28	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	7	44 55.28		CDC	25183	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.28	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	7	45 55.28		CDC	25184	Active	6/23/2004 0:00	6/22/2008 23:59	1	55.28	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes
NTS 22K04	6	39 55.29		CDC	25185	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.29	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	6	40 55.29		CDC	25186	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.29	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	5	39 55.30		CDC	25187	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.3	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	5	40 55.30		CDC	25188	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.3	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	9	49 55.26		CDC	25222	Active	6/23/2004 0:00	8/22/2008 23:59	1	55.26	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes
NTS 22K04	9	49 55.26		CDC	25223	Active	6/23/2004 0:00	8/22/2008 23:59	1	55.26	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes
NTS 22K04	8	42 55.28		CDC	25229	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	7	42 55.28		CDC	25230	Active	6/23/2004 0:00	6/22/2008 23:59	1	55.28	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes
NTS 22K04	7	46 55.28		CDC	25230	Active	6/23/2004 0:00	8/22/2008 23:59	1	55.28	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes

**SCHEDULE B**  
**[NTD: List of Contracts to be inserted]**

# **PURCHASE AGREEMENT**

## **IRON ORE PROPERTIES:**

### **MOUCHALAGANE**

dated

**1 August 2008**

between

**7013833 CANADA INC.**

and

**JE AN FORTIN**

**And**

**EXPLORATION J.F. INC.**

**PURCHASE AGREEMENT**

**THIS PURCHASE AGREEMENT** is made as of the **1<sup>st</sup> day of August, 2008** (the "Agreement Date")

AMONG:

JEAN FORTIN, an individual, having an address at

\_\_\_\_\_

AND

EXPLORATION J.F. INC., a corporation, having a business address at

\_\_\_\_\_

and represented by Jean Fortin.

(collectively, the "Vendor")

***OF THE FIRST PART***

AND:

7013833 CANADA INC., a company incorporated under the laws of Canada, having a business address at 2020 University Street, Suite 2000, Montreal, Quebec, H3A 2A5, represented by François Dumas.

(the "Purchaser")

***OF THE SECOND PART***

**WHEREAS:**

- A. The Vendor is the legal and beneficial holder of the mineral claims more particularly described in Schedule "B" attached hereto (the "Property");
- B. The Vendor has agreed to grant an exclusive right to the Purchaser to acquire, subject to the terms and conditions of this Agreement, a 100% interest in the Property; and
- C. The Purchaser wishes to acquire the right to acquire a 100% interest in the Property on the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT the parties hereto agree as follows:

**1. INTERPRETATION**

**1.01 Definitions**

Where used herein or in any schedule or amendment hereto, unless the context otherwise requires, each of the words and phrases set out in Schedule "A" shall have the meanings set forth therein.

**1.02 Schedules**

The following are the schedules attached to and incorporated into this Agreement by reference and deemed to be part hereof:

**Schedule A – Defined Terms****Schedule B – Property****1.03 Governing Law**

This Agreement shall in all respects be governed by and be construed in accordance with the laws in force in the Province of Quebec and subject to the exclusive jurisdiction of the courts of the Province of Quebec. In addition, this Agreement shall be subject to all applicable laws, rules and regulations of public bodies having jurisdiction over the development or operation of the Property.

**1.04 Severability**

If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect under the laws of any jurisdiction, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby under the laws of any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**1.05 Parties in Interest**

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

**1.06 Included Words**

Wherever the singular or the masculine are used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require, and vice versa.

**1.07 Headings**

The headings to the Sections and paragraphs of this Agreement are inserted for convenience only and shall not affect the construction hereof.

**1.08 References**

Unless otherwise stated, a reference herein to a numbered or lettered Section or paragraph refers to the section or paragraph bearing that number or letter in this Agreement. A reference to "this Agreement" or herein, hereof, hereunder or other like words means this Agreement, including the Schedules hereto, together with any amendments thereto.

**1.09 Currency**

All references to currency in this Agreement are to the lawful money of Canada unless otherwise stated.

**2. PURCHASE OF PROPERTIES****2.01 Purchase of Properties**

The Vendor hereby agrees to sell a 100% interest in the Property in favour of the Purchaser (the "Agreement").

## **2.02 Terms**

This Agreement shall terminate if the Purchaser fails to complete the following:

- (a) issuing a total of \$500,000 redeemable face value of fully paid and non-assessable preferred shares ("Preferred Shares") of the Purchaser to the Vendor within 30 days;
- (b) paying a total of \$10,000 to the Vendor within 30 days;
- (c) signing a Net Smelter Return agreement in favour of the Vendor for 2% within 30 days.

## **2.03 Conversion of Preferred Shares**

In the event the Purchaser consummates a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual) with a Capital Pool Company or otherwise becomes a publicly corporation through a reverse takeover, initial public offering or other means (collectively, a "Going Public Transaction"), then the Preferred Shares of the Vendor will be convertible into common shares of the Purchaser at the same price per common share of the Purchaser as determined or implied in the Going Public Transaction and alongside with the mechanisms of the Preferred Share conversion.

## **2.04 Buy-back of 50% of NSR**

At any time, the Purchaser may buy back from the Vendor up to 50% of the NSR as described in 2.02 (c) above for a total amount of \$500,000, leaving a 1% NSR.

## **2.05 Abandonment of the Properties**

In the event that the Purchaser abandons the properties, it is agreed upon that the Vendor will have a right of first refusal to acquire the properties on terms to be agreed upon by the parties.

## **3. REPRESENTATIONS AND WARRANTIES**

### **3.01 The Vendor's Representations and Warranties**

The Vendor represents and warrants to the Purchaser that:

- (a) This Agreement has been validly and effectively approved and authorized by the Vendor and has been duly executed and delivered by the Vendor;
- (b) The Vendor is the recorded title holder of the Property and it has good and sufficient right, power and authority to enter into and deliver this Agreement and to perform the transactions contemplated hereby, and the provisions hereof constitute legal, valid and binding obligations of the Vendor enforceable in accordance with their terms;
- (c) Neither the execution and delivery of this Agreement, nor compliance by the Vendor with any of the provisions hereof conflicts with or results in a breach of or default under any lien, charge, encumbrance or adverse claim against or on the Property under any of the terms, conditions or provisions of any agreement or instrument to which the Vendor is a party or any judgment, order, law or governmental or administrative regulation or restriction applicable to the Vendor;
- (d) There are no actions, suits, claims, proceedings, litigation or investigations pending or to the best of the Vendor's knowledge after due investigation, threatened, or judgments outstanding and unsatisfied against or affecting the Vendor, any part of or all of the Property, or this Agreement;

- (e) The lands comprised in the Property have been duly and validly located and recorded under the law and jurisdiction in which they are situated and are in good standing in the appropriate mining recorders office on the date hereof;
- (g) There are no royalties, fees or monies payable or required to be paid to any person with regard to the Property other than the NSR; and
- (h) To the best of the Vendor's knowledge, information and belief, all previous work conducted on the Property was conducted in compliance with all applicable laws.

### **3.02 The Purchaser's Representations and Warranties**

The Purchaser represents and warrants to the Vendor that:

- (a) The Purchaser is a corporation duly incorporated under the laws of Canada and is a valid and subsisting corporation in good standing under the laws of Canada;
- (b) This Agreement has been validly and effectively approved and authorized by all necessary corporate action on the part of the Purchaser and has been duly executed and delivered by the Purchaser;
- (c) The Purchaser has good and sufficient right, power and authority to enter into and deliver this Agreement and to perform the transactions contemplated hereby and this Agreement and the provisions hereof constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their terms; and
- (d) Neither the execution and delivery of this Agreement, nor compliance by the Purchaser with any of the provisions hereof or thereof conflicts with or results in a breach of or default under any lien, charge, encumbrance or adverse claim against or on the Property under any of the terms, conditions or provisions of the constating documents or any directors' or shareholders' resolution of the Purchaser or any agreement or instrument to which the Purchaser is a party or any judgment, order, law or governmental, or administrative regulation or restriction applicable to it.

### **3.03 Survival of Representations**

All representations and warranties granted or assented to in this Agreement, will survive the signing of this Agreement and each such representation and warranty is a condition of this Agreement, any or all of which conditions may be waived in whole or in part by the party for whose benefit the representation is made.

## **4. RIGHTS AND COVENANTS RELATING TO THE PROPERTY**

### **4.01 Right to Explore**

Subject to applicable Quebec laws and regulations, the Purchaser shall have the exclusive right to enter upon the Property and to explore and prospect for ores and minerals thereon, subject to the conditions attaching to the Property. The rights of the Purchaser under this Section shall be subject to Quebec laws and regulations and shall include all rights held or exercisable by the Vendor which rights include, but are not limited to, the right to:

- (a) Build roads and erect temporary structures upon the surface of the Property for use by the Purchaser and its contractors and their respective personnel and equipment, subject to applicable Quebec Government regulations and permitting requirements;

- (b) Carry out surface and underground exploration on the Property for ores and minerals in respect of which the mineral claim comprising the Property are validly issued including, without limitation, by collecting samples for test metallurgical work;
- (c) Conduct any other geological, geophysical or geochemical evaluation, testing or assaying of the Property;
- (d) Use any surface and underground water rights, if any, in or upon or appurtenant to the Property and make application for any such rights as may be required in the circumstances, and to use all reciprocal rights which any of the Property may have with respect to other Property in the area;
- (e) With the prior approval of the Vendor, in the name of the Vendor, apply for all permits, licenses and other approvals deemed necessary or appropriate by the Purchaser in connection with the conduct of exploration activities; and
- (f) Do all things which are incidental to or which may be useful, desirable or convenient in the exercise of rights or in the performance of obligations granted to the Purchaser hereunder.

The Purchaser shall have control of all exploration activities on or for the benefit of the Property and of all equipment supplies, machinery and other assets purchased or otherwise acquired for use in connection with such exploration activities. The Purchaser shall pay or cause to be paid the costs of all labour performed upon or material furnished to the Property by it or at its request.

#### **4.02 Site Responsibility**

The Purchaser shall comply with applicable Quebec laws and regulations, municipal and local laws, regulations, orders and approval of all governmental authorities relating to environmental matters in connection with the use, maintenance and operation of the Property and the conduct of business and operations related thereto. The Purchaser shall indemnify and save harmless the Vendor from and against any and all liabilities, losses, claims, damages (including, without limitation, penalties, fines and monetary sanctions but excluding lost profits and any other consequential damages whatsoever), costs, lawyer's fees and disbursements on a solicitor and his own client basis, court costs, accountant's fees and expenses and all other out-of-pocket expenses in connection with or arising in any manner whatsoever out of the breach of the covenant of the Purchaser contained in this Section, provided however, that the Purchaser's covenant contained in this Section does not apply to environmental matters related to the Property which took place prior to the date of this Agreement.

#### **4.03 Reclamation**

The Purchaser will be responsible for reclamation of all disturbances caused from activities on the Property, and to the extent possible, the Purchaser will conduct reclamation concurrently with disturbance. The Purchaser will undertake rehabilitation in terms of Quebec law and regulations and closure monitoring of the Property to the extent required by Quebec laws and regulations. Notwithstanding termination of the Agreement, the Purchaser shall, subject to the Vendor agreeing otherwise, have the obligation within 3 months following the termination of the Agreement to remove from the Property all buildings, plant equipment, machinery, tools, appliances and supplies that have been brought onto the Property by the Purchaser.

#### **4.04 Assessment Work**

On termination of this Agreement, the Purchaser shall leave the Property in good standing with respect to the filing of assessment work for a period of not less than 365 days after the date of termination, free and clear of all liens, charges and encumbrances arising from the Purchaser's operations hereunder (except for taxes not yet due) and in good standing with respect to all applicable environmental, safety and other

statutory rules, regulations and orders arising from or applicable to work done on the Property by the Purchaser.

## **5. TERM AND TERMINATION**

### **5.01 Termination by Notice**

The Purchaser may terminate this Agreement at any time upon giving not less than thirty (30) days written notice to the Vendor.

### **5.02 Default**

No party will be in default of any of its obligations under this Agreement or deprived of any of its rights hereunder until notice of the alleged default has been given to the other party and such default has not been remedied or such other party has not in good faith commenced to take action to remedy such default within 30 days after the receipt of such notice and has not diligently proceeded with such remedying.

## **6. FORCE MAJEURE**

### **6.01 Extension of Time**

If the Purchaser is at any time prevented or delayed in complying with any provisions of this Agreement by reason of strike, lock-out, labour shortages, power shortages, fuel shortages, fire, war, act of God, governmental regulation restricting normal operations, shipping delays or any other reason or reasons (other than lack of funds) beyond the control of the Purchaser, the time limited for the performance by the Purchaser of its obligations hereunder shall be extended by a reasonable period of time.

### **6.02 Notice**

The Purchaser shall give prompt notice to the Vendor of each event of force majeure and upon cessation of such event shall furnish the Vendor with notice to that effect.

## **7. ARBITRATION**

### **7.01 Disputes**

The parties agree that all questions or matters in dispute shall be submitted to and settled by arbitration pursuant to the terms hereof.

### **7.02 Notice**

It shall be a condition precedent to the right of any party to submit any matter to arbitration pursuant to the provisions hereof, that any party intending to refer any matter to arbitration shall have given not less than 30 days prior written notice of its intention to do so to the other party together with particulars of the matter in dispute. On the expiration of such 30-day period, the party who gave such notice may proceed to refer the dispute to arbitration as provided in paragraph 7.03.

### **7.03 Arbitration**

The party desiring arbitration shall appoint one arbitrator, and shall notify the other party of such appointment, and the other party shall, within 30 days after receiving such notice, appoint an arbitrator and the two arbitrators so named, before proceeding to act, shall, within 30 days of the appointment of the last appointed arbitrator, unanimously agree on the appointment of a third arbitrator to act with them and be chairman of the arbitration herein provided for. If the other party shall fail to appoint an arbitrator within 30

days after receiving notice of the appointment of the first arbitrator, the first arbitrator shall be the only arbitrator, and if the two arbitrators appointed by the parties shall be unable to agree on the appointment of the chairman, the chairman shall be appointed under the provisions of the laws of the Province of Quebec relating to commercial arbitrations. The chairman, or in the case where only one arbitrator is appointed, the single arbitrator, shall fix a time and place for the purpose of hearing the evidence and representations of the parties, and he shall preside over the arbitration and determine all questions of procedure. This arbitrator, or the arbitrators, as the case may be, shall make an award and reduce the same to writing, and deliver one copy thereof to each of the parties. The expense of the arbitration shall be paid as specified in the award.

**7.04 Binding Decision**

The parties agree that the award of a majority of the arbitrators, or in the case of a single arbitrator, of such arbitrator, shall be final and binding upon each of them.

**8. GENERAL PROVISIONS**

**8.01 No Partnership**

This Agreement is not intended to, and shall not be deemed to, create any partnership relation between the parties hereto, including without limitation a mining partnership or commercial partnership. The obligations and liabilities of the parties hereunder shall be several and not joint and neither party shall have or purport to have any authority to act for or to assume any obligations or responsibility on behalf of the other party, other than as expressly granted herein. Nothing herein contained shall be deemed to constitute any party the partner, agent or legal representative of the other party or to create any fiduciary relationship between the parties. Each party agrees to indemnify and hold the other party harmless from and against any and all losses, claims, damages and liabilities arising out of any act taken by or on behalf of such first-mentioned party in connection with this Agreement, except pursuant to authority expressly granted herein or otherwise agreed to between the parties. For the purposes of such indemnity, the reference to each party includes the directors, officers, employees and agents of that party.

**8.02 Compliance with Laws**

In the conduct of its operations on the Property, the Purchaser shall be responsible for compliance with applicable laws and regulations, including laws and regulations related to exploration, mining and reclamation and the Purchaser shall bear and pay the costs related thereto.

**8.03 Notice**

Any notice, election, proposal, objection or other document required or permitted to be given hereunder ("Notices") shall be in writing addressed to the parties as follows:

To the Vendor:

JEAN FORTIN

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

EXPLORATION JF INC.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

To the Purchaser:

7013833 Canada Inc.  
c/o 2020 University Street, Suite 2000  
Montreal, Quebec H3A 2A5  
Tel: (514) 295-9878  
Fax: (514) 843-9208

Attention: François Dumas

All Notices shall be given by personal delivery, or prepaid registered mail, return receipt requested. All Notices shall be effective and shall be deemed delivered as follows:

- (a) If by personal delivery, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery;
- (b) If by prepaid registered mail on the next business day after actual receipt.

A party may at any time change its address for future Notices hereunder by Notice in accordance with this Section 8.03

**8.04 Further Assurances**

Each of the parties hereby covenants and agrees to execute all further and other documents and instruments and to do all further and other things that may be necessary to implement and carry out the intent of this Agreement.

**8.05 Confidentiality**

The Vendor and the Purchaser will, subject to regulatory requirements, maintain the highest level of confidentiality with respect to this Agreement and the Property.

**8.06 Entire Agreement**

This Agreement, including the Schedules hereto, shall constitute the entire agreement of the parties with respect to the Property and the subject matter hereof, all previous agreements with respect thereto being expressly rescinded and replaced hereby, and no modification or alteration of this Agreement shall be effective unless in writing executed subsequent to the date hereof by both of the parties. No prior written or contemporaneous oral promises, representations or agreements shall be binding upon the parties.

**8.07 Counterparts**

This Agreement may be executed in one or more counterparts and by facsimile, which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the 1<sup>st</sup> day of the month of August, 2008.

**JEAN FORTIN**

---

**EXPLORATION JF INC.**

---

By:  
Authorized Signatory

**7013833 CANADA INC.**

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By:  
Authorized Signatory

**SCHEDULE "A"**

**DEFINED TERMS**

For the purposes of this Agreement, the following words and phrases shall have the following meanings, namely:

- (a) "Property" means the Property as defined on Schedule "B";
- (b) "NSR" or "Net Smelter Return" means the net smelter returns as defined in the agreement to be signed.
- (d) "Party" means a party to this Agreement.



effective unless in writing executed subsequent to the date hereof by both of the parties. No prior written or contemporaneous oral promises, representations or agreements shall be binding upon the parties.

**8.07 Counterparts**

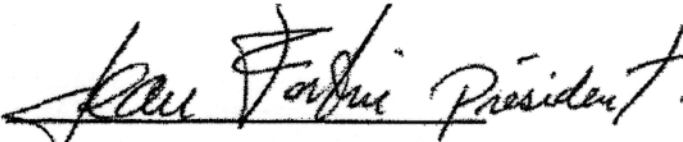
This Agreement may be executed in one or more counterparts and by facsimile, which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the 1<sup>st</sup> day of the month of August, 2008.

**JEAN FORTIN**



**EXPLORATION JF INC.**



By: \_\_\_\_\_  
Authorized Signatory

**7013833 CANADA EVC.**

By: \_\_\_\_\_  
Authoriz F. DUMAS

ed Signatory  
**SCHEDULE"**  
**A"**

**DEFINED TERMS**

For the purposes of this Agreement, the following words and phrases shall have the following meanings, namely:

- a) "Property" means the Property as defined on Schedule "B";
- b) "NSR" or "Net Smelter Return" means the net smelter returns as defined in the agreement to be signed.
- (d) "Party" means a party to this Agreement. **SCHEDULE "B"**

LISTE DES TITRES

no. Feuillet	Nom du titulaire	Code de classement	Type de titre	Quantité (en titres)	Coef. loc.	Part. e	Supplémentaire	Type de titre	No. titre	Statut de titre	Date de jugement	Descriptive	Date d'expiration	Abn. d'achat cre.	Non	Suppl. (en \$)	Adopté (en \$)	Etat	Ter. regie	Débit regie	Généraliste (Nom, Numéro et Pourcentage)	Crédit des titres	No. de titre	Stat. en jugement	Stat. en jugement
SNRC 22N13			X	4	55	0	53,28	CDC	214585	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X	4	56	0	53,28	CDC	214586	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X	4	57	0	53,28	CDC	214570	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X	4	58	0	53,28	CDC	214571	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X	4	59	0	53,28	CDC	214572	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X	4	60	0	53,28	CDC	214573	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X	5	61	0	53,28	CDC	214574	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X	5	62	0	53,27	CDC	214575	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X	5	63	0	53,27	CDC	214576	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X	5	64	0	53,27	CDC	214577	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X	5	65	0	53,27	CDC	214578	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N13			X	6	66	0	53,26	CDC	214580	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,26	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	1	4	0	53,31	CDC	214581	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,31	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	1	5	0	53,31	CDC	214582	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,31	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	1	6	0	53,31	CDC	214583	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,31	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	1	7	0	53,31	CDC	214584	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,31	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	2	4	0	53,3	CDC	214585	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,3	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	2	5	0	53,3	CDC	214586	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,3	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	2	6	0	53,3	CDC	214587	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,3	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	2	7	0	53,3	CDC	214588	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,3	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	3	4	0	53,28	CDC	214589	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	3	5	0	53,28	CDC	214590	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	3	6	0	53,28	CDC	214591	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	3	7	0	53,28	CDC	214592	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	4	12	0	53,28	CDC	214593	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	4	13	0	53,28	CDC	214594	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	5	12	0	53,27	CDC	214595	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	5	13	0	53,27	CDC	214596	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,27	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	6	10	0	53,28	CDC	214597	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	6	11	0	53,28	CDC	214598	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	6	12	0	53,28	CDC	214599	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,28	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	6	13	0	53,26	CDC	214600	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,26	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	7	10	0	53,25	CDC	214601	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,25	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	7	11	0	53,25	CDC	214602	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,25	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	7	12	0	53,25	CDC	214603	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,25	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	7	13	0	53,25	CDC	214604	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,25	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non
SNRC 22N14			X	8	8	0	53,25	CDC	214605	Actif	2010-03-11 23:59	2008-03-12 00:00	2010-03-11 23:59	0	0	53,25	Non	0	1200	0	50 JEAN FORTIN (003) 100 % (responsable)			Non	Non





**PURCHASE AGREEMENT**

**IRON ORE PROPERTIES:  
MOUCHALAGANE 18 & MOUCHALANGE 19**

dated

**1 August 2008**

between

**7013833 CANADA INC.**

and

**FANCAMP EXPLORATION LTD.**

and

**SHERIDAN PLATINUM GROUP**

## PURCHASE AGREEMENT

**THIS PURCHASE AGREEMENT** is made as of the **1<sup>st</sup> day of August, 2008** (the "Agreement Date")

AMONG:

FANCAMP EXPLORATION LTD., a company incorporated under the laws of British Columbia, having a business address at 7290 Gray Avenue, Burnaby, British Columbia, V5J 3Z2, represented by Peter Smith;

AND

SHERIDAN PLATINUM GROUP, a company incorporated under the laws of \_\_\_\_\_, having a business address at \_\_\_\_\_, represented by Pat Sheridan;

(collectively, the "Vendor")

*OF THE FIRST PART*

AND:

7013833 CANADA INC., a company incorporated under the laws of Canada, having a business address at 2020 University Street, Suite 2000, Montreal, Quebec, H3A 2A5, represented by François Dumas.

(the "Purchaser")

*OF THE SECOND PART*

**WHEREAS:**

- A. The Vendor is the legal and beneficial holder of the mineral claims more particularly described in Schedule "B" attached hereto (the "Property");
- B. The Vendor has agreed to grant an exclusive right to the Purchaser to acquire, subject to the terms and conditions of this Agreement, a 100% interest in the Property; and
- C. The Purchaser wishes to acquire the right to acquire a 100% interest in the Property on the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT the parties hereto agree as follows:

### 1. INTERPRETATION

#### 1.01 Definitions

Where used herein or in any schedule or amendment hereto, unless the context otherwise requires, each of the words and phrases set out in Schedule "A" shall have the meanings set forth therein.

## **1.02 Schedules**

The following are the schedules attached to and incorporated into this Agreement by reference and deemed to be part hereof:

Schedule A – Defined Terms  
Schedule B – Property

## **1.03 Governing Law**

This Agreement shall in all respects be governed by and be construed in accordance with the laws in force in the Province of Quebec and subject to the exclusive jurisdiction of the courts of the Province of Quebec. In addition, this Agreement shall be subject to all applicable laws, rules and regulations of public bodies having jurisdiction over the development or operation of the Property.

## **1.04 Severability**

If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect under the laws of any jurisdiction, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby under the laws of any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

## **1.05 Parties in Interest**

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

## **1.06 Included Words**

Wherever the singular or the masculine are used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require, and vice versa.

## **1.07 Headings**

The headings to the Sections and paragraphs of this Agreement are inserted for convenience only and shall not affect the construction hereof.

## **1.08 References**

Unless otherwise stated, a reference herein to a numbered or lettered Section or paragraph refers to the section or paragraph bearing that number or letter in this Agreement. A reference to "this Agreement" or herein, hereof, hereunder or other like words means this Agreement, including the Schedules hereto, together with any amendments thereto.

## **1.09 Currency**

All references to currency in this Agreement are to the lawful money of Canada unless otherwise stated.

## **2. PURCHASE OF PROPERTIES**

### **2.01 Purchase of Properties**

The Vendor hereby agrees to sell a 100% interest in the Property in favour of the Purchaser (the "Agreement").

### **2.02 Terms**

This Agreement shall terminate if the Purchaser fails to complete the following:

- (a) issuing a total of \$1,500,000 redeemable face value of fully paid and non-assessable preferred shares ("Preferred Shares") of the Purchaser to the Vendor within 30 days. The Preferred Shares shall be secured by the Property and will have a 5% annual dividend.
- (b) paying a total of \$175,000 to the Vendor, as follows:
  - (i) \$25,000 on signing;
  - (ii) \$75,000 by the First Anniversary (firm commitment); and
  - (iii) \$75,000 by the Second Anniversary (firm commitment).
- (c) signing a Net Smelter Return ("NSR") agreement in favour of the Vendor for two per cent (2%) within 30 days. The NSR will rise to 4% two years following production.
- (d) Advance royalty payment of \$100,000 a year beginning at the end of year three.
- (e) The Vendor will have an area of influence that includes all of the lands within NTS units 22N13 and 22N14.

### **2.03 Conversion of Preferred Shares**

In the event the Purchaser consummates a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual) with a Capital Pool Company or otherwise becomes a publicly corporation through a reverse takeover, initial public offering or other means (collectively, a "Going Public Transaction"), then the Preferred Shares of the Vendor will be convertible into common shares of the Purchaser at the same price per common share of the Purchaser as determined or implied in the Going Public Transaction and alongside with the mechanisms of the Preferred Share conversion.

### **2.04 Buy-back of 50% of NSR**

At any time, the Purchaser may buy back from the Vendor up to 50% of the NSR as described in 2.02 (c) above for a total amount of \$1,500,000, leaving a 1% NSR, rising to 2% two years following production.

### **2.05 Abandonment of the Properties**

In the event that the Purchaser abandons the properties, they shall be returned to the Vendor in good standing.

### **3. REPRESENTATIONS AND WARRANTIES**

#### **3.01 The Vendor's Representations and Warranties**

The Vendor represents and warrants to the Purchaser that:

- (a) This Agreement has been validly and effectively approved and authorized by the Vendor and has been duly executed and delivered by the Vendor;
- (b) The Vendor is the recorded title holder of the Property and it has good and sufficient right, power and authority to enter into and deliver this Agreement and to perform the transactions contemplated hereby, and the provisions hereof constitute legal, valid and binding obligations of the Vendor enforceable in accordance with their terms;
- (c) Neither the execution and delivery of this Agreement, nor compliance by the Vendor with any of the provisions hereof conflicts with or results in a breach of or default under any lien, charge, encumbrance or adverse claim against or on the Property under any of the terms, conditions or provisions of any agreement or instrument to which the Vendor is a party or any judgment, order, law or governmental or administrative regulation or restriction applicable to the Vendor;
- (d) There are no actions, suits, claims, proceedings, litigation or investigations pending or to the best of the Vendor's knowledge after due investigation, threatened, or judgments outstanding and unsatisfied against or affecting the Vendor, any part of or all of the Property, or this Agreement;
- (e) The lands comprised in the Property have been duly and validly located and recorded under the law and jurisdiction in which they are situated and are in good standing in the appropriate mining recorders office on the date hereof;
- (g) There are no royalties, fees or monies payable or required to be paid to any person with regard to the Property other than the NSR; and
- (h) To the best of the Vendor's knowledge, information and belief, all previous work conducted on the Property was conducted in compliance with all applicable laws.

#### **3.02 The Purchaser's Representations and Warranties**

The Purchaser represents and warrants to the Vendor that:

- (a) The Purchaser is a corporation duly incorporated under the laws of Canada and is a valid and subsisting corporation in good standing under the laws of Canada;
- (b) This Agreement has been validly and effectively approved and authorized by all necessary corporate action on the part of the Purchaser and has been duly executed and delivered by the Purchaser;
- (c) The Purchaser has good and sufficient right, power and authority to enter into and deliver this Agreement and to perform the transactions contemplated hereby and this Agreement and the provisions hereof constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their terms; and
- (d) Neither the execution and delivery of this Agreement, nor compliance by the Purchaser with any of the provisions hereof or thereof conflicts with or results in a breach of or default under any lien, charge, encumbrance or adverse claim against or on the Property under any of the terms, conditions or provisions of the constating documents or any directors' or shareholders' resolution of the

Purchaser or any agreement or instrument to which the Purchaser is a party or any judgment, order, law or governmental, or administrative regulation or restriction applicable to it.

### **3.03 Survival of Representations**

All representations and warranties granted or assented to in this Agreement, will survive the signing of this Agreement and each such representation and warranty is a condition of this Agreement, any or all of which conditions may be waived in whole or in part by the party for whose benefit the representation is made.

## **4. RIGHTS AND COVENANTS RELATING TO THE PROPERTY**

### **4.01 Right to Explore**

Subject to applicable Quebec laws and regulations, the Purchaser shall have the exclusive right to enter upon the Property and to explore and prospect for ores and minerals thereon, subject to the conditions attaching to the Property. The rights of the Purchaser under this Section shall be subject to Quebec laws and regulations and shall include all rights held or exercisable by the Vendor which rights include, but are not limited to, the right to:

- (a) Build roads and erect temporary structures upon the surface of the Property for use by the Purchaser and its contractors and their respective personnel and equipment, subject to applicable Quebec Government regulations and permitting requirements;
- (b) Carry out surface and underground exploration on the Property for ores and minerals in respect of which the mineral claim comprising the Property are validly issued including, without limitation, by collecting samples for test metallurgical work;
- (c) Conduct any other geological, geophysical or geochemical evaluation, testing or assaying of the Property;
- (d) Use any surface and underground water rights, if any, in or upon or appurtenant to the Property and make application for any such rights as may be required in the circumstances, and to use all reciprocal rights which any of the Property may have with respect to other Property in the area;
- (e) With the prior approval of the Vendor, in the name of the Vendor, apply for all permits, licenses and other approvals deemed necessary or appropriate by the Purchaser in connection with the conduct of exploration activities; and
- (f) Do all things which are incidental to or which may be useful, desirable or convenient in the exercise of rights or in the performance of obligations granted to the Purchaser hereunder.

The Purchaser shall have control of all exploration activities on or for the benefit of the Property and of all equipment supplies, machinery and other assets purchased or otherwise acquired for use in connection with such exploration activities. The Purchaser shall pay or cause to be paid the costs of all labour performed upon or material furnished to the Property by it or at its request.

### **4.02 Site Responsibility**

The Purchaser shall comply with applicable Quebec laws and regulations, municipal and local laws, regulations, orders and approval of all governmental authorities relating to environmental matters in connection with the use, maintenance and operation of the Property and the conduct of business and operations related thereto. The Purchaser shall indemnify and save harmless the Vendor from and against any and all liabilities, losses, claims, damages (including, without limitation, penalties, fines and monetary sanctions but excluding lost profits and any other consequential damages whatsoever), costs, lawyer's fees

and disbursements on a solicitor and his own client basis, court costs, accountant's fees and expenses and all other out-of-pocket expenses in connection with or arising in any manner whatsoever out of the breach of the covenant of the Purchaser contained in this Section, provided however, that the Purchaser's covenant contained in this Section does not apply to environmental matters related to the Property which took place prior to the date of this Agreement.

#### **4.03 Reclamation**

The Purchaser will be responsible for reclamation of all disturbances caused from activities on the Property, and to the extent possible, the Purchaser will conduct reclamation concurrently with disturbance. The Purchaser will undertake rehabilitation in terms of Quebec law and regulations and closure monitoring of the Property to the extent required by Quebec laws and regulations. Notwithstanding termination of the Agreement, the Purchaser shall, subject to the Vendor agreeing otherwise, have the obligation within 3 months following the termination of the Agreement to remove from the Property all buildings, plant equipment, machinery, tools, appliances and supplies that have been brought onto the Property by the Purchaser.

#### **4.04 Assessment Work**

On termination of this Agreement, the Purchaser shall leave the Property in good standing with respect to the filing of assessment work for a period of not less than 365 days after the date of termination, free and clear of all liens, charges and encumbrances arising from the Purchaser's operations hereunder (except for taxes not yet due) and in good standing with respect to all applicable environmental, safety and other statutory rules, regulations and orders arising from or applicable to work done on the Property by the Purchaser.

### **5. TERM AND TERMINATION**

#### **5.01 Termination by Notice**

The Purchaser may terminate this Agreement at any time upon giving not less than thirty (30) days written notice to the Vendor.

#### **5.02 Default**

No party will be in default of any of its obligations under this Agreement or deprived of any of its rights hereunder until notice of the alleged default has been given to the other party and such default has not been remedied or such other party has not in good faith commenced to take action to remedy such default within 30 days after the receipt of such notice and has not diligently proceeded with such remedying.

### **6. FORCE MAJEURE**

#### **6.01 Extension of Time**

If the Purchaser is at any time prevented or delayed in complying with any provisions of this Agreement by reason of strike, lock-out, labour shortages, power shortages, fuel shortages, fire, war, act of God, governmental regulation restricting normal operations, shipping delays or any other reason or reasons (other than lack of funds) beyond the control of the Purchaser, the time limited for the performance by the Purchaser of its obligations hereunder shall be extended by a reasonable period of time.

#### **6.02 Notice**

The Purchaser shall give prompt notice to the Vendor of each event of force majeure and upon cessation of such event shall furnish the Vendor with notice to that effect.

## **7. ARBITRATION**

### **7.01 Disputes**

The parties agree that all questions or matters in dispute shall be submitted to and settled by arbitration pursuant to the terms hereof.

### **7.02 Notice**

It shall be a condition precedent to the right of any party to submit any matter to arbitration pursuant to the provisions hereof, that any party intending to refer any matter to arbitration shall have given not less than 30 days prior written notice of its intention to do so to the other party together with particulars of the matter in dispute. On the expiration of such 30-day period, the party who gave such notice may proceed to refer the dispute to arbitration as provided in paragraph 7.03.

### **7.03 Arbitration**

The party desiring arbitration shall appoint one arbitrator, and shall notify the other party of such appointment, and the other party shall, within 30 days after receiving such notice, appoint an arbitrator and the two arbitrators so named, before proceeding to act, shall, within 30 days of the appointment of the last appointed arbitrator, unanimously agree on the appointment of a third arbitrator to act with them and be chairman of the arbitration herein provided for. If the other party shall fail to appoint an arbitrator within 30 days after receiving notice of the appointment of the first arbitrator, the first arbitrator shall be the only arbitrator, and if the two arbitrators appointed by the parties shall be unable to agree on the appointment of the chairman, the chairman shall be appointed under the provisions of the laws of the Province of Quebec relating to commercial arbitrations. The chairman, or in the case where only one arbitrator is appointed, the single arbitrator, shall fix a time and place for the purpose of hearing the evidence and representations of the parties, and he shall preside over the arbitration and determine all questions of procedure. This arbitrator, or the arbitrators, as the case may be, shall make an award and reduce the same to writing, and deliver one copy thereof to each of the parties. The expense of the arbitration shall be paid as specified in the award.

### **7.04 Binding Decision**

The parties agree that the award of a majority of the arbitrators, or in the case of a single arbitrator, of such arbitrator, shall be final and binding upon each of them.

## **8. GENERAL PROVISIONS**

### **8.01 No Partnership**

This Agreement is not intended to, and shall not be deemed to, create any partnership relation between the parties hereto, including without limitation a mining partnership or commercial partnership. The obligations and liabilities of the parties hereunder shall be several and not joint and neither party shall have or purport to have any authority to act for or to assume any obligations or responsibility on behalf of the other party, other than as expressly granted herein. Nothing herein contained shall be deemed to constitute any party the partner, agent or legal representative of the other party or to create any fiduciary relationship between the parties. Each party agrees to indemnify and hold the other party harmless from and against any and all losses, claims, damages and liabilities arising out of any act taken by or on behalf of such first-mentioned party in connection with this Agreement, except pursuant to authority expressly granted herein or otherwise agreed to between the parties. For the purposes of such indemnity, the reference to each party includes the directors, officers, employees and agents of that party.

**8.02 Compliance with Laws**

In the conduct of its operations on the Property, the Purchaser shall be responsible for compliance with applicable laws and regulations, including laws and regulations related to exploration, mining and reclamation and the Purchaser shall bear and pay the costs related thereto.

**8.03 Notice**

Any notice, election, proposal, objection or other document required or permitted to be given hereunder ("Notices") shall be in writing addressed to the parties as follows:

To the Vendor:

Fancamp Exploration Ltd.  
c/o 340 Victoria Avenue  
Westmount, Quebec H3Z 2M8  
Tel: (514) 481-3172  
Fax: (514) 481-8943

Attention: Peter Smith

AND

Sheridan Platinum Group

\_\_\_\_\_  
Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_

Attention: Pat Sheridan

To the Purchaser:

7013833 Canada Inc.  
c/o 2020 University Street, Suite 2000  
Montreal, Quebec H3A 2A5  
Tel: (514) 295-9878  
Fax: (514) 843-9208

Attention: François Dumas

All Notices shall be given by personal delivery, or prepaid registered mail, return receipt requested. All Notices shall be effective and shall be deemed delivered as follows:

- (a) If by personal delivery, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery;
- (b) If by prepaid registered mail on the next business day after actual receipt.

A party may at any time change its address for future Notices hereunder by Notice in accordance with this Section 8.03.

**8.04 Further Assurances**

Each of the parties hereby covenants and agrees to execute all further and other documents and instruments and to do all further and other things that may be necessary to implement and carry out the intent of this Agreement.

**8.05 Confidentiality**

The Vendor and the Purchaser will, subject to regulatory requirements, maintain the highest level of confidentiality with respect to this Agreement and the Property.

**8.06 Entire Agreement**

This Agreement, including the Schedules hereto, shall constitute the entire agreement of the parties with respect to the Property and the subject matter hereof, all previous agreements with respect thereto being expressly rescinded and replaced hereby, and no modification or alteration of this Agreement shall be effective unless in writing executed subsequent to the date hereof by both of the parties. No prior written or contemporaneous oral promises, representations or agreements shall be binding upon the parties.

**8.07 Counterparts**

This Agreement may be executed in one or more counterparts and by facsimile, which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the 21<sup>st</sup> day of the month of July, 2008.

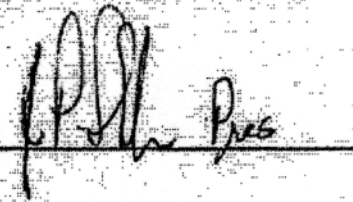
*August*

**FANCAMP EXPLORATION LTD.**



By:  
Authorized Signatory

**SHERIDAN PLATINUM GROUP**



By:  
Authorized Signatory

**7013833 CANADA INC.**



By:  
Authorized Signatory

*F. DUMAS*

**SCHEDULE "A"**

**DEFINED TERMS**

For the purposes of this Agreement, the following words and phrases shall have the following meanings, namely:

- (a) "Property" means the Property as defined on Schedule "B";
- (b) "NSR" or "Net Smelter Return" means the net smelter returns as defined in the agreement to be signed.
- (d) "Party" means a party to this Agreement.





**PURCHASE AGREEMENT**

**IRON ORE PROPERTIES:**

**LAC DE LA BLACHE**

dated

**1 August 2008**

between

**7013833 CANADA INC.**

and

**FANCAMP EXPLORATION LTD.**

**PURCHASE AGREEMENT**

**THIS PURCHASE AGREEMENT** is made as of the 1<sup>st</sup> day of August, 2008 (the "Agreement Date")

**BETWEEN:**

FANCAMP EXPLORATION LTD., a company incorporated under the laws of British Columbia, having a business address at 7290 Gray Avenue, Burnaby, British Columbia, V5J 3Z2, represented by Peter Smith;

(the "Vendor")

*OF THE FIRST PART*

**AND:**

7013833 CANADA INC., a company incorporated under the laws of Canada, having a business address at 2020 University Street, Suite 2000, Montreal, Quebec, H3A 2A5, represented by François Dumas.

(the "Purchaser")

*OF THE SECOND PART*

**WHEREAS:**

- A. The Vendor is the legal and beneficial holder of the mineral claims more particularly described in Schedule "B" attached hereto (the "Property");
- B. The Vendor has agreed to grant an exclusive right to the Purchaser to acquire, subject to the terms and conditions of this Agreement, a 100% interest in the Property; and
- C. The Purchaser wishes to acquire the right to acquire a 100% interest in the Property on the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT the parties hereto agree as follows:

**1. INTERPRETATION**

**1.01 Definitions**

Where used herein or in any schedule or amendment hereto, unless the context otherwise requires, each of the words and phrases set out in Schedule "A" shall have the meanings set forth therein.

**1.02 Schedules**

The following are the schedules attached to and incorporated into this Agreement by reference and deemed to be part hereof:

- Schedule A – Defined Terms
- Schedule B – Property

### **1.03 Governing Law**

This Agreement shall in all respects be governed by and be construed in accordance with the laws in force in the Province of Quebec and subject to the exclusive jurisdiction of the courts of the Province of Quebec. In addition, this Agreement shall be subject to all applicable laws, rules and regulations of public bodies having jurisdiction over the development or operation of the Property.

### **1.04 Severability**

If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect under the laws of any jurisdiction, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby under the laws of any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

### **1.05 Parties in Interest**

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

### **1.06 Included Words**

Wherever the singular or the masculine are used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require, and vice versa.

### **1.07 Headings**

The headings to the Sections and paragraphs of this Agreement are inserted for convenience only and shall not affect the construction hereof.

### **1.08 References**

Unless otherwise stated, a reference herein to a numbered or lettered Section or paragraph refers to the section or paragraph bearing that number or letter in this Agreement. A reference to "this Agreement" or herein, hereof, hereunder or other like words means this Agreement, including the Schedules hereto, together with any amendments thereto.

### **1.09 Currency**

All references to currency in this Agreement are to the lawful money of Canada unless otherwise stated.

## **2. PURCHASE OF PROPERTIES**

### **2.01 Purchase of Properties**

The Vendor hereby agrees to sell a 100% interest in the Property in favour of the Purchaser (the "Agreement").

## **2.02 Terms**

This Agreement shall terminate if the Purchaser fails to complete the following:

- (a) issuing a total of \$1,500,000 redeemable face value of fully paid and non-assessable preferred shares ("Preferred Shares") of the Purchaser to the Vendor within 30 days. The Preferred Shares shall be secured by the Property and will have a 5% annual dividend.
- (b) paying a total of \$175,000 to the Vendor, as follows:
  - (i) \$25,000 on signing;
  - (ii) \$75,000 by the First Anniversary (firm commitment); and
  - (iii) \$75,000 by the Second Anniversary (firm commitment).
- (c) signing a Net Smelter Return ("NSR") agreement in favour of the Vendor for two per cent (2%) within 30 days. The NSR will rise to 4% two years following production.
- (d) Advance royalty payment of \$100,000 a year beginning at the end of year three.
- (e) The Vendor will have a 5-kilometre area of influence around the present claim groups in NTS unit 22K04.

## **2.03 Conversion of Preferred Shares**

In the event the Purchaser consummates a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual) with a Capital Pool Company or otherwise becomes a publicly corporation through a reverse takeover, initial public offering or other means (collectively, a "Going Public Transaction"), then the Preferred Shares of the Vendor will be convertible into common shares of the Purchaser at the same price per common share of the Purchaser as determined or implied in the Going Public Transaction and alongside with the mechanisms of the Preferred Share conversion.

## **2.04 Buy-back of 50% of NSR**

At any time, the Purchaser may buy back from the Vendor up to 50% of the NSR as described in 2.02 (c) above for a total amount of \$1,500,000, leaving a 1% NSR, rising to 2% two years following production.

## **2.05 Abandonment of the Properties**

In the event that the Purchaser abandons the properties, they shall be returned to the Vendor in good standing.

## **3. REPRESENTATIONS AND WARRANTIES**

### **3.01 The Vendor's Representations and Warranties**

The Vendor represents and warrants to the Purchaser that:

- (a) This Agreement has been validly and effectively approved and authorized by the Vendor and has been duly executed and delivered by the Vendor;
- (b) The Vendor is the recorded title holder of the Property and it has good and sufficient right, power and authority to enter into and deliver this Agreement and to perform the transactions contemplated

hereby, and the provisions hereof constitute legal, valid and binding obligations of the Vendor enforceable in accordance with their terms;

- (c) Neither the execution and delivery of this Agreement, nor compliance by the Vendor with any of the provisions hereof conflicts with or results in a breach of or default under any lien, charge, encumbrance or adverse claim against or on the Property under any of the terms, conditions or provisions of any agreement or instrument to which the Vendor is a party or any judgment, order, law or governmental or administrative regulation or restriction applicable to the Vendor;
- (d) There are no actions, suits, claims, proceedings, litigation or investigations pending or to the best of the Vendor's knowledge after due investigation, threatened, or judgments outstanding and unsatisfied against or affecting the Vendor, any part of or all of the Property, or this Agreement;
- (e) The lands comprised in the Property have been duly and validly located and recorded under the law and jurisdiction in which they are situated and are in good standing in the appropriate mining recorders office on the date hereof;
- (g) There are no royalties, fees or monies payable or required to be paid to any person with regard to the Property other than the NSR; and
- (h) To the best of the Vendor's knowledge, information and belief, all previous work conducted on the Property was conducted in compliance with all applicable laws.

### **3.02 The Purchaser's Representations and Warranties**

The Purchaser represents and warrants to the Vendor that:

- (a) The Purchaser is a corporation duly incorporated under the laws of Canada and is a valid and subsisting corporation in good standing under the laws of Canada;
- (b) This Agreement has been validly and effectively approved and authorized by all necessary corporate action on the part of the Purchaser and has been duly executed and delivered by the Purchaser;
- (c) The Purchaser has good and sufficient right, power and authority to enter into and deliver this Agreement and to perform the transactions contemplated hereby and this Agreement and the provisions hereof constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their terms; and
- (d) Neither the execution and delivery of this Agreement, nor compliance by the Purchaser with any of the provisions hereof or thereof conflicts with or results in a breach of or default under any lien, charge, encumbrance or adverse claim against or on the Property under any of the terms, conditions or provisions of the constating documents or any directors' or shareholders' resolution of the Purchaser or any agreement or instrument to which the Purchaser is a party or any judgment, order, law or governmental, or administrative regulation or restriction applicable to it.

### **3.03 Survival of Representations**

All representations and warranties granted or assented to in this Agreement, will survive the signing of this Agreement and each such representation and warranty is a condition of this Agreement, any or all of which conditions may be waived in whole or in part by the party for whose benefit the representation is made.

#### **4. RIGHTS AND COVENANTS RELATING TO THE PROPERTY**

##### **4.01 Right to Explore**

Subject to applicable Quebec laws and regulations, the Purchaser shall have the exclusive right to enter upon the Property and to explore and prospect for ores and minerals thereon, subject to the conditions attaching to the Property. The rights of the Purchaser under this Section shall be subject to Quebec laws and regulations and shall include all rights held or exercisable by the Vendor which rights include, but are not limited to, the right to:

- (a) Build roads and erect temporary structures upon the surface of the Property for use by the Purchaser and its contractors and their respective personnel and equipment, subject to applicable Quebec Government regulations and permitting requirements;
- (b) Carry out surface and underground exploration on the Property for ores and minerals in respect of which the mineral claim comprising the Property are validly issued including, without limitation, by collecting samples for test metallurgical work;
- (c) Conduct any other geological, geophysical or geochemical evaluation, testing or assaying of the Property;
- (d) Use any surface and underground water rights, if any, in or upon or appurtenant to the Property and make application for any such rights as may be required in the circumstances, and to use all reciprocal rights which any of the Property may have with respect to other Property in the area;
- (e) With the prior approval of the Vendor, in the name of the Vendor, apply for all permits, licenses and other approvals deemed necessary or appropriate by the Purchaser in connection with the conduct of exploration activities; and
- (f) Do all things which are incidental to or which may be useful, desirable or convenient in the exercise of rights or in the performance of obligations granted to the Purchaser hereunder.

The Purchaser shall have control of all exploration activities on or for the benefit of the Property and of all equipment supplies, machinery and other assets purchased or otherwise acquired for use in connection with such exploration activities. The Purchaser shall pay or cause to be paid the costs of all labour performed upon or material furnished to the Property by it or at its request.

##### **4.02 Site Responsibility**

The Purchaser shall comply with applicable Quebec laws and regulations, municipal and local laws, regulations, orders and approval of all governmental authorities relating to environmental matters in connection with the use, maintenance and operation of the Property and the conduct of business and operations related thereto. The Purchaser shall indemnify and save harmless the Vendor from and against any and all liabilities, losses, claims, damages (including, without limitation, penalties, fines and monetary sanctions but excluding lost profits and any other consequential damages whatsoever), costs, lawyer's fees and disbursements on a solicitor and his own client basis, court costs, accountant's fees and expenses and all other out-of-pocket expenses in connection with or arising in any manner whatsoever out of the breach of the covenant of the Purchaser contained in this Section, provided however, that the Purchaser's covenant contained in this Section does not apply to environmental matters related to the Property which took place prior to the date of this Agreement.

#### **4.03 Reclamation**

The Purchaser will be responsible for reclamation of all disturbances caused from activities on the Property, and to the extent possible, the Purchaser will conduct reclamation concurrently with disturbance. The Purchaser will undertake rehabilitation in terms of Quebec law and regulations and closure monitoring of the Property to the extent required by Quebec laws and regulations. Notwithstanding termination of the Agreement, the Purchaser shall, subject to the Vendor agreeing otherwise, have the obligation within 3 months following the termination of the Agreement to remove from the Property all buildings, plant equipment, machinery, tools, appliances and supplies that have been brought onto the Property by the Purchaser.

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### **5. TERM AND TERMINATION**

#### **5.01 Termination by Notice**

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### **6. FORCE MAJEURE**

#### **6.01 Extension of Time**

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Fancamp Exploration Ltd.  
c/o 340 Victoria Avenue  
Westmount, Quebec H3Z 2M8  
Tel: (514) 481-3172  
Fax: (514) 481-8943

Attention: Peter Smith

To the Purchaser:

7013833 Canada Inc.  
c/o 2020 University Street, Suite 2000  
Montreal, Quebec H3A 2A5  
Tel: (514) 295-9878  
Fax: (514) 843-9208

Attention: François Dumas

All Notices shall be given by personal delivery, or prepaid registered mail, return receipt requested. All Notices shall be effective and shall be deemed delivered as follows:

- (a) If by personal delivery, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery;
- (b) If by prepaid registered mail on the next business day after actual receipt.

A party may at any time change its address for future Notices hereunder by Notice in accordance with this Section 8.03.

### **8.04 Further Assurances**

Each of the parties hereby covenants and agrees to execute all further and other documents and instruments and to do all further and other things that may be necessary to implement and carry out the intent of this Agreement.

### **8.05 Confidentiality**

The Vendor and the Purchaser will, subject to regulatory requirements, maintain the highest level of confidentiality with respect to this Agreement and the Property.

**8.06 Entire Agreement**

This Agreement, including the Schedules hereto, shall constitute the entire agreement of the parties with respect to the Property and the subject matter hereof, all previous agreements with respect thereto being expressly rescinded and replaced hereby, and no modification or alteration of this Agreement shall be effective unless in writing executed subsequent to the date hereof by both of the parties. No prior written or contemporaneous oral promises, representations or agreements shall be binding upon the parties.

**8.07 Counterparts**

This Agreement may be executed in one or more counterparts and by facsimile, which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the 1<sup>st</sup> day of August, 2008.

**FANCAMP EXPLORATION LTD.**



By:  
Authorized Signatory

**7013833 CANADA INC.**



By:  
Authorized Signatory

F. DUMAS

**SCHEDULE "A"**

**DEFINED TERMS**

For the purposes of this Agreement, the following words and phrases shall have the following meanings, namely:

- (a) "Property" means the Property as defined on Schedule "B";
- (b) "NSR" or "Net Smelter Return" means the net smelter returns as defined in the agreement to be signed.
- (d) "Party" means a party to this Agreement.



NTS Sheet	Row/Block	Column/Lot	Area Polygon	Type of Title	Title No	Status	Date of Registration	Expiry Date	Number of Renewals	Area (Ha)	Required Work	Required Fees	Titleholder(s) (Name, Number and Percentage)	Renewal File Being Processed
NTS 22K04	8	43 55.27		CDC	25176	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	8	44 55.27		CDC	25177	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	8	45 55.27		CDC	25178	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	8	46 55.27		CDC	25179	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	8	47 55.27		CDC	25180	Active	6/23/2004 0:00	6/22/2008 23:59	1	55.27	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes
NTS 22K04	8	50 55.27		CDC	25181	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	7	43 55.28		CDC	25182	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.28	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	7	44 55.28		CDC	25183	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.28	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	7	45 55.28		CDC	25184	Active	6/23/2004 0:00	6/22/2008 23:59	1	55.28	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes
NTS 22K04	6	39 55.29		CDC	25185	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.29	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	6	40 55.29		CDC	25186	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.29	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	5	39 55.30		CDC	25187	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.3	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	5	40 55.30		CDC	25188	Active	6/23/2004 0:00	6/22/2010 23:59	2	55.3	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	9	49 55.26		CDC	25222	Active	6/23/2004 0:00	8/22/2008 23:59	1	55.26	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes
NTS 22K04	9	49 55.26		CDC	25223	Active	6/23/2004 0:00	8/22/2008 23:59	1	55.26	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes
NTS 22K04	8	49 55.26		CDC	25226	Active	6/23/2004 0:00	8/22/2010 23:59	2	55.27	1200	50	Fencamp Exploration Ltd (19174) 100 % (responsible)	No
NTS 22K04	7	42 55.28		CDC	25229	Active	6/23/2004 0:00	8/22/2008 23:59	1	55.28	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes
NTS 22K04	7	46 55.28		CDC	25230	Active	6/23/2004 0:00	8/22/2008 23:59	1	55.28	1200	100	Fencamp Exploration Ltd (19174) 100 % (responsible)	Yes