

Court File No.: CV-16-00011351-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

GOLD CANDLE LTD.

Applicant

-and-

GSR MINING CORPORATION and AJ PERRON GOLD CORP.

Respondents

APPLICATION RECORD

April 18, 2016

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AND TO: JOHN E. PERRON
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AND TO: FRANK C. SMEENK
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AND TO: J. PERRON
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AND TO: VICTOR J. ELIAS
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AND TO: A. FARBER & PARTNERS INC.
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AND TO: MCDOWELL BROTHERS INDUSTRIES INC.
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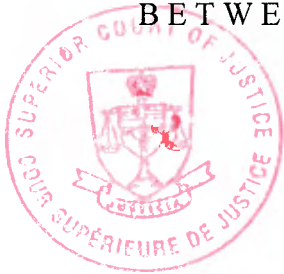
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:



GOLD CANDLE LTD.

Applicant

-and-

GSR MINING CORPORATION and AJ PERRON GOLD CORP.

Respondents

NOTICE OF APPLICATION

TO THE RESPONDENT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing on May 3, 2016, at 10:00 a.m., before a judge presiding over the Commercial List at 393 University Avenue, 10th Floor, Toronto ON M5G 1E6.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date April 18th 2016 Issued by Ray Williams
Local Registrar

Address of court office: 393 University Avenue, 10th Floor
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AND TO: MCDOWELL BROTHERS INDUSTRIES INC.
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APPLICATION

1. The Applicant, Gold Candle Ltd. (“**Gold Candle**”), makes application for an Order:
 - (a) appointing A. Farber & Partners Inc. as Receiver over those parcels (collectively, the “**Limited Surface Rights**”) listed at Appendix “A” to the Appointment Order attached as Schedule “A” to the Motion Record herein (collectively, the “**Limited Surface Rights**”);
 - (b) staying all proceedings and remedies taken or that might be taken in respect of the Limited Surface Rights or the Respondents, except as set forth in the Appointment Order or otherwise permitted by law;
 - (c) authorizing the issuance of the Writs (as defined at paragraph below) *nunc pro tunc* or in the alternative, the issuance of *alias* writs referable to the Judgments;
 - (d) approving the proposed Agreement of Purchase & Sale (as defined below) in respect of the Limited Surface Rights and authorizing the Receiver to enter into and perform its obligations under same;
 - (e) granting the Receiver’s Charge (as defined below);
 - (f) granting the proposed Approval & Vesting Order substantially in the form attached as Schedule “B” the Motion Record herein;
 - (g) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
 - (h) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*;

- (i) the costs of this proceeding, plus all applicable taxes; and
- (j) Such further and other Relief as to this Honourable Court may seem just.

2. The grounds for the application are:

- (a) Gold Candle is a judgment creditor of the Respondents GSR Mining Corporation (“**GSR Mining**”) and AJ Perron Gold Corp. (“**AJ Perron**”) pursuant to the following (together, the “**Judgments**”):
 - (i) the Order of the Ontario Court (General Division) filed April 4, 1997 as Court File No. 97-MU-16878, incorporating the Order of the Arbitrator, J.W. Samuels, dated November 9, 1995; and
 - (ii) the Order of the Ontario Court (General Division) filed April 4, 1997 as Court File No. 97-MU-16879, incorporating the Order of the Arbitrator, J.W. Samuels, dated February 21, 1997;
- (b) The Judgments were assigned to Gold Candle by the United Steel Workers of America, Local 9283 (the “**Union**”) pursuant to an Assignment Agreement dated January 29, 2015 (the “**Assignment Agreement**”);
- (c) Pursuant to the Assignment Agreement, Gold Candle holds a Debenture and General Security Agreement from GSR Mining, in the maximum amount of Three Million Dollars (\$3,000,000) dated November 29, 1989 (the “**GSR Debenture**”) and registered on April 6, 1994;

- (d) The GSR Debenture grants a security interest over the collateral described therein including, among other things, the Limited Surface Rights;
- (e) Gold Candle has acquired the mining rights (the “**Mining Rights**”) in respect of the lands comprising the Kerr-Addison gold mine in northern Ontario (the “**Kerr-Addison Mine**” or the “**Mine**”), which ceased operations in 1996. The Applicant intends to re-commence gold mining operations at the site;
- (f) GSR Mining Corporation (“**GSR Mining**”) and Deak Resources Corporation (“**Deak Resources**”) are the registered 50 percent co-owners of certain of the Mine's surface rights including, in particular, the Limited Surface Rights;
- (g) Subsequent to the acquisition of its interest in the Limited Surface Rights, Deak Resources was amalgamated with AJ Perron;
- (h) AJ Perron was dissolved effective April 10, 2000;
- (i) GSR Mining owes an amount of approximately \$124,301.73 (the “**Municipal Tax Debt**”) to the Township of McGarry in respect of municipal taxes;
- (j) On March 17, 2016, Gold Candle issued writs of seizure and sale (the “**Writs**”) in respect of the Judgments;
- (k) Each of the Writs was issued more than six (6) years after the date of the relevant Judgment and as such, leave is required;
- (l) The Judgments were obtained within the relevant limitation periods and remain unsatisfied;

- (m) The Applicant proposes that A. Farber & Partners Inc. ("**Farber**") be appointed Receiver in this proceeding;
- (n) Farber has consented to act as Receiver;
- (o) The Applicant and the Receiver are negotiating toward an Agreement of Purchase & Sale (the "**Agreement of Purchase & Sale**"), pursuant to which the Applicant will acquire the Limited Surface Rights from the Receiver if approved by this Honourable Court;
- (p) The Applicant expects that the Agreement of Purchase & Sale will be filed with the Court prior to the hearing of the Application;
- (q) It is contemplated that the Agreement of Purchase & Sale will provide for, among other things, a purchase price (the "**Purchase Price**") with a value in excess of the fair market value of the Limited Surface Rights, and which will be comprised of a combination of cash, credit bid and assumption of liability for the Municipal Tax Debt;
- (r) It is highly improbable that any party other than Gold Candle would have any real interest in acquiring the Limited Surface Rights;
- (s) The Limited Surface Rights cannot effectively be dealt with in the absence of judicial assistance and direction;
- (t) It is just and convenient in the circumstances for a receiver to be appointed on the terms set out in the proposed Appointment Order;

- (u) the relief sought herein is just and appropriate, particularly given the benefits that will accrue to the known creditors and other stakeholders, the lack of undue prejudice to any party and a proposed purchase price that exceeds any reasonable estimate of the fair market value of the Limited Surface Rights;
- (v) Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (w) Sections 242 and 244(2) of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;
- (x) Rules 14.05(1) and 60.07(2) of the Ontario *Rules of Civil Procedure*; and
- (y) Such further and other grounds as the lawyers may advise.

3. The following documentary evidence will be used at the hearing of the application:

- (a) Affidavit of Michael Berns, sworn April 4, 2016;
- (b) Pre-Filing Report of the proposed Receiver, A. Farber & Partners Inc., to be filed;
and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

(Date of issue)

April 18th 2016

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GOLD CANDLE LTD.
Applicant

-and - GSR MINING CORPORATION and AJ PERRON GOLD CORP.
Respondents

Court File No. CV-16-011351-0006

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPLICATION

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Lawyers for the Applicant

Court File No.:

**ONTARIO
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(COMMERCIAL LIST)**

B E T W E E N:

GOLD CANDLE LTD.

Applicant

-and-

GSR MINING CORPORATION and AJ PERRON GOLD CORP.

Respondents

**AFFIDAVIT OF MICHAEL BERNS
(sworn April 4, 2016)**

April 4, 2016

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Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N:

GOLD CANDLE LTD.

Applicant

-and-

GSR MINING CORPORATION and AJ PERRON GOLD CORP

Respondents

**AFFIDAVIT OF MICHAEL BERNS
(sworn April 4, 2016)**

I, **MICHAEL BERNS**, of Westchester County, in the State of New York, in the United States of America, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the President and a director of Gold Candle Ltd. ("**Gold Candle**"), and as such, I have personal knowledge of the matters to which I herein depose. I am also a lawyer called to the Bar in the State of New York and a founding partner at Berns & Berns, a boutique business law firm in New York City. Where the source of my information or belief is other than my own personal knowledge, I have identified the source and the basis for my information and believe it to be true.

I. RELIEF SOUGHT

2. This Affidavit is sworn in support of an application (the “**Application**”) for an order (the “**Appointment Order**”) under Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, among other things:

- (a) appointing A. Farber & Partners Inc. as Receiver over the parcels listed at **Schedule “A”** hereto (collectively, the “**Limited Surface Rights**”);
- (b) staying all proceedings and remedies taken or that might be taken in respect of the Limited Surface Rights or the Respondents, except as set forth in the Appointment Order or otherwise permitted by law;
- (c) authorizing the issuance of the Writs (as defined at paragraph 42 below) *nunc pro tunc*;
- (d) approving the proposed Agreement of Purchase & Sale (as defined at paragraph 48 below) in respect of the Limited Surface Rights and authorizing the Receiver to enter into and perform its obligations under same;
- (e) granting the proposed Approval & Vesting Order (as defined at paragraph 63 below); and
- (f) granting the Receiver’s Charge (as defined at paragraph 61 below).

II. BACKGROUND

A. Nature of Proceeding

3. The Applicant, Gold Candle, has acquired the Mining Rights (as defined at paragraph 24(b) below) in respect of the lands comprising the Kerr-Addison gold mine in northern Ontario (the “**Kerr-Addison Mine**” or the “**Mine**”) with a view toward re-commencing gold mining operations at the site. I believe that the re-opening of the Mine will be of significant benefit to the region, which has been economically depressed since the Mine ceased operations in the mid-1990s. Gold Candle holds security over the related Surface Rights, which were severed from the Mining Rights due to certain historical events, as well as the Judgments (as defined below).

4. The Respondent GSR Mining Corporation (“**GSR Mining**”) and Deak Resources Corporation (“**Deak Resources**”) are the registered 50 percent co-owners of the Surface Rights. Subsequent to the acquisition of its interest in the Surface Rights, Deak Resources was amalgamated with the Respondent AJ Perron Gold Corp. (“**AJ Perron**”). AJ Perron was dissolved effective April 10, 2000.

5. Gold Candle seeks to ultimately acquire the Limited Surface Rights and ultimately reunite same with the Mining Rights. In particular, Gold Candle seeks an Order appointing the Receiver over the Limited Surface Rights for the purpose of, among other things, selling the Limited Surface Rights to Gold Candle on the terms and conditions described below.

6. In this regard, Gold Candle and the proposed Receiver have entered into the Agreement of Purchase & Sale, subject to the approval of this Honourable Court. I believe that such relief is just and appropriate in the circumstances, particularly given the benefits that will accrue to the known

creditors and other stakeholders, the lack of undue prejudice to any party and a proposed purchase price that exceeds any reasonable estimate of the fair market value of the Limited Surface Rights.

7. I believe that it is appropriate in the circumstances that the Receiver be authorized and directed to investigate and report upon the existence and location of any other of the Respondents' remaining assets and affairs. Due to the passage of time, the complicated web of interrelated companies and co-ownership, and the dearth of available business records, it has not been possible for me to obtain such information thus far.

B. Gold Candle Ltd.

8. The Applicant, Gold Candle, is a corporation incorporated pursuant to the laws of the Province of Ontario. Attached hereto as **Exhibit "A"** is a copy of a Corporate Profile Report dated January 12, 2016 in respect of Gold Candle. As noted above, Gold Candle intends to re-commence operation of the Kerr-Addison Mine.

C. Kerr-Addison Mine

9. The Kerr-Addison Mine is located near Virginiatown, which sits a short distance west of the Quebec border approximately 250 kilometres north of North Bay. Attached hereto as **Exhibit "B"** is a copy of a map indicating the location of the Kerr-Addison Mine.

10. The Mine is in the heart of what is known as the "Golden Corridor" running from Timmins, Ontario to Val d'Or, Quebec. The area comprises a major section of the Abitibi-Greenstone Belt, considered to be likely the most prolific geological formation of its kind in the world, and to date more than 160 million ounces of gold have been extracted from it.

11. The Kerr-Addison Mine commenced operations in 1938 and ceased operation in 1996. During its 58-years of operations the Mine produced approximately 11 million ounces of gold, which was mined down to a depth of approximately 1.4 kilometers. At its peak, more than half a million ounces of gold per year were extracted from the Mine, which employed approximately 2,500 people.

D. GSR Mining Corporation

12. GSR Mining is a corporation existing pursuant to the laws of the Province of Ontario. Attached hereto as **Exhibit “C”** is a copy of a Corporate Profile Report dated January 11, 2016 in respect of GSR Mining.

13. GSR Mining was owned by the Respondent AJ Perron, which as described below has been dissolved. I understand that GSR Mining permanently ceased operations following the shutdown of the Kerr-Addison Mine.

E. AJ Perron Gold Corp.

14. AJ Perron Gold Corp. (“**AJ Perron**”) was a corporation existing pursuant to the laws of the Province of Ontario. AJ Perron was dissolved effective April 10, 2000. Attached hereto as **Exhibit “D”** is a copy of a Corporate Profile Report dated January 11, 2016 in respect of AJ Perron.

15. AJ Perron was the successor to, among other companies, Deak Resources and Deak International Resources Corporation, (“**Deak International**”), and to the best of my knowledge at the time of its dissolution was the parent company of the Respondent GSR Mining.

16. In addition, based on my review of its annual reports and other available documentation (as described below), it appears that AJ Perron owned a ninety-nine (99) percent interest in Kerr Jex Corporation (“**Kerr Jex**”).

F. GSR Acquisition Corporation

17. GSR Acquisition Corporation (“**GSR Acquisition**”) was a corporation existing pursuant to the laws of the Province of Ontario. GSR Acquisition was dissolved effective September 10, 1996. Attached hereto as **Exhibit “E”** is a copy of a Corporate Profile Report dated January 11, 2016 in respect of GSR Acquisition.

18. Based on my review of the various historical records described below, it appears that GSR Acquisition formerly owned a seventy-seven (77) percent interest in GSR Mining. I do not know who owned the balance of GSR Mining during that period, nor do I know how AJ Perron acquired all of the equity shares in that company.

G. Kerr Jex Corporation

19. Kerr Jex is a corporation existing pursuant to the laws of the Province of Ontario. Attached hereto as **Exhibit “F”** is a copy of a Corporate Profile Report dated January 11, 2016 in respect of Kerr Jex.

H. United Steel Workers

20. The Mine’s employees were represented by the United Steel Workers of America, Local 9283 (the “**Union**”). As noted below, Gold Candle has agreed to recognize the Union for the purpose of operating the Mine.

III. SEVERANCE OF MINING RIGHTS AND SURFACE RIGHTS

A. Acquisition of Surface Rights

21. Based upon my review of the relevant parcel registers, on January 19, 1990, GSR Mining and Deak Resources each acquired a fifty (50) percent interest in the Surface Rights from Clarke, Henning & Hahn Ltd. in its capacity as the Trustee in Bankruptcy of Golden Shield Resources Ltd. (“**Golden Shield**”).

22. As noted above and indicated on the Corporate Profile Report previously attached hereto as Exhibit “D”, Deak Resources was subsequently amalgamated with AJ Perron, which has since been dissolved.

IV. DEBT & SECURITY

A. Assignment Agreement

23. Pursuant to an Assignment Agreement dated January 29, 2015 (the “**Assignment Agreement**”), the Union assigned to Gold Candle all of the Union’s right, title and interest in and to the Secured Debentures and the Judgments (as such terms are defined below). A copy of the Assignment Agreement is attached hereto as **Exhibit “G”**. The assignment was given in consideration of, among other things, Gold Candle's agreement that it would recognize the Union for the purpose of operating the Mine.

B. The Secured Debentures

24. As a result of the Assignment Agreement, the Applicant holds the following documents (together, the “**Secured Debentures**”):

- (a) Debenture and General Security Agreement between GSR Mining, as debtor, and the Union, as creditor, in the maximum amount of Three Million Dollars (\$3,000,000) dated November 29, 1989 (the “**GSR Debenture**”) and registered on April 6, 1994, as security for the GSR Indebtedness (as defined below). The GSR Debenture grants a security interest over the collateral described at Section 3 thereof, including the surface rights described at Schedule “A” to the Document General to which it was appended for registration (collectively, the “**Surface Rights**”). A copy of the GSR Debenture is attached hereto as **Exhibit “H”**. Attached hereto as **Exhibit “I”** is a copy of a map indicating the location of the Surface Rights (and the included Limited Surface Rights); and
- (b) Debenture and General Security Agreement between Kerr Jex, as debtor, and the Union, as creditor, in the maximum amount of Three Million Dollars (\$3,000,000) dated November 29, 1989 (the “**KJ Debenture**”) and registered on April 6, 1994. The KJ Debenture grants a security interest over the collateral described at Section 3 thereof, including the mining rights described at Schedule “A” to the Document General to which it was appended for registration (collectively, the “**Mining Rights**”). A copy of the KJ Debenture is attached hereto as **Exhibit “J”**. Attached hereto as **Exhibit “K”** is a copy of a map indicating the location of the Mining Rights.

25. The GSR Debenture and the KJ Debenture reflect a historical separation of the Mining Rights from the Surface Rights in respect of the subject matter lands. The Mining Rights were purchased by Kerr Jex while GSR Mining retained the related Surface Rights.

26. Gold Candle has since acquired the Mining Rights from Kerr Jex. Attached hereto as **Exhibit “L”** is a list of the Mining Rights acquired by Gold Candle.

27. Attached hereto as **Exhibit “M”** are copies of the Parcel Registers dated February •, 2016 in respect of 20 individual parcels that collectively comprise the Limited Surface Rights. The Limited Surface Rights comprise vacant, undeveloped lands, and each of the parcels is subject to the following four registrations:

- (a) Charge granted by Deak Resources, over its undivided 50 percent interest, in favour of Deak International Resources Holdings Ltd. (“**Deak Holdings**”) in the amount of \$1,363,963 dated September 29, 1992 under registration No. LT275798;
- (b) Charge granted by Deak Resources, over its undivided 50 percent interest, in favour of Deak Holdings in the amount of \$225,000 dated October 1, 1992 under registration No. LT275869;
- (c) Debenture granted by Deak Resources, over its undivided 50 percent interest, in favour of Bradley Bros. Limited (“**Bradley Bros.**”) in the amount of \$623,000 dated December 15, 1992 under registration No. LT276952. This obligation is not referenced in the Perron Financial Statements (as defined at paragraph 36 below);
and
- (d) the GSR Debenture.

28. The charter of Deak Holdings was cancelled effective August 26, 1996.

29. The registration in favour of Bradley Bros. relates to a Convertible Fixed and Floating Charge Term Debenture dated September 1, 1992 (the (“**Deak Debenture**”)) given by Deak Resources (predecessor to AJ Perron and thus dissolved since April 10, 2000). By its terms, the Deak Debenture granted security in favour of Bradley Bros. only over the interest of Deak Resources. A copy of the Deak Debenture is attached hereto as **Exhibit “N”**.

30. The Deak Debenture provides for a maturity date of June 30, 1996.

31. The Parcel Registers also reference a construction lien certificate of action. Attached hereto as **Exhibit “O”** is a copy of the relevant Document General registered November 6, 1996 against Deak Resources and GSR Mining in favour of McDowell Brothers Industries Inc. I am advised by my counsel, Gregory Azeff of Fogler Rubinoff LLP, and do verily believe that in November 2015 his office contacted the Timiskaming Land Registry Office as well as the local court office to try to obtain the court file related to this matter. Thus far the court file cannot be located and no further information is available.

C. The Memorandum of Agreement

32. The Secured Debentures secure certain obligations under a Memorandum of Agreement (the “**MOA**”) between GSR Acquisition (subsequently assumed by GSR Mining) and the Kerr Addison Employees' Association and United Steelworkers of America dated November 29, 1989. A copy of the MOA is attached hereto as **Exhibit “P”**.

33. The preamble to the MOA provides that at the time of its execution, GSR Acquisition was in the process of acquiring the “business” of Golden Shield, which was in the midst of bankruptcy proceedings commenced July 4, 1989. Prior to its bankruptcy, Golden Shield had operated the Kerr-Addison Mine. Attached hereto as **Exhibits “Q”** and “**R**”, respectively, are copies of a

Corporate Profile Report dated January 12, 2016 and a Bankruptcy Search dated January 12, 2016 in respect of Golden Shield.

34. Pursuant to the MOA, the parties agreed that upon GSR Acquisition's acquisition of Golden Shield's business, GSR Acquisition (or its nominee operator and employer) would enter into a collective agreement with the Union that included certain terms specified in the MOA.

35. GSR Acquisition's subsidiary, GSR Mining, was designated as the operator and employer in respect of the Mine. Pursuant to the GSR Debenture, GSR Mining subsequently assumed and acknowledged that it was bound by the MOA and was required to, among other things, make certain retirement and termination payments.

D. Acknowledgment of GSR Indebtedness to Union

36. AJ Perron's audited consolidated financial statements (the "**Perron Financial Statements**") dated June 20, 1996 for the year ended December 31, 1995 (*i.e.*, its last full year of operations) incorporate its subsidiary GSR Mining's results. A copy of the Perron Financial Statements is attached hereto as **Exhibit "S"**.

37. The Perron Financial Statements acknowledge indebtedness to the Union for past severance pay in the amount \$1.222 million (the "**GSR Indebtedness**"). Specifically, the consolidated financial statements acknowledge an Agreement dated March 22, 1994 and a Memorandum of Agreement dated March 25, 1994, each between GSR Mining and the Union (together, the "**GSR Agreement**"), pursuant to which GSR Mining: (i) acknowledged the GSR Indebtedness, and (ii) agreed to pay the GSR Indebtedness by making an initial payment in the amount of \$50,000 and monthly payments in the amount of \$20,000 commencing March 15, 1995 until the GSR Indebtedness has been paid in full.

38. I am advised by Martin Warren, Director, Ontario and Atlantic Canada, United Steel Workers of America, and do verily believe that the Union has no records indicating that payments have been made by GSR Mining to the Union in respect of the GSR Indebtedness, other than the initial payment in the amount of \$50,000.

39. As more particularly described above at paragraph 24(a), the GSR Indebtedness is secured under the GSR Debenture.

E. The Judgments

40. GSR Mining and AJ Perron failed to satisfy their obligations under the collective agreement with the Union, which subsequently commenced proceedings against them pursuant to Section 48(19) of the Ontario *Labour Relations Act, 1995* and obtained a number of rulings against them including the following (together, the “**Judgments**”):

- (a) Order of the Ontario Court (General Division) filed April 4, 1997 as Court File No. 97-MU-16878, incorporating the Order of the Arbitrator, J.W. Samuels, dated November 9, 1995. The balance outstanding is approximately \$135,312.86 including accrued interest through April 1, 2016. The Judgment arose from a failure by GSR Mining and AJ Perron to pay certain amounts to the Union during the period between December 1994 and September 1995; and
- (b) Order of the Ontario Court (General Division) filed April 4, 1997 as Court File No. 97-MU-16879, incorporating the Order of the Arbitrator, J.W. Samuels, dated February 21, 1997. The balance outstanding under this Judgment is approximately \$52,919.99 including accrued interest through April 1, 2016. The Judgment arose

from a failure by GSR Mining and AJ Perron to pay certain amounts to the Union during the period ended January 1996.

Copies of the Judgments are attached hereto as **Exhibits “T”** and **“U”**, respectively. As noted above, pursuant to the Assignment Agreement Gold Candle is the assignee of the Judgments.

41. I am advised by Martin Warren, Director, Ontario and Atlantic Canada, United Steel Workers of America, and do verily believe that the Union has no records indicating that any payments have been made in respect of the Judgments. Accordingly, the aggregate amount payable under the Judgments is approximately \$188,232.85 as at April 1, 2016. Attached hereto as **Exhibit “V”** is a chart setting out the relevant calculations.

42. On March 17, 2016, Gold Candle issued writs of seizure and sale (the **“Writs”**) in respect of the Judgments. Attached hereto as **Exhibit “W”** are copies of the Writs.

F. Indebtedness to Township of McGarry

43. GSR Mining owes an amount of approximately \$124,301.73 (the **“Municipal Tax Debt”**) to the Township of McGarry in respect of municipal taxes. I am advised by my counsel, Gregory Azeff of Fogler, Rubinoff LLP, that the Township of McGarry has a lien against the Kerr-Addison property (including, in particular, the Surface Rights) securing payment of the Municipal Tax Debt.

44. If approved, as part of the Purchase Price (as defined below in paragraph 49) Gold Candle will assume liability for the Municipal Tax Debt. In this regard, the Township of McGarry has confirmed the amount of such liability in a letter to Gold Candle from His Worship Mayor Clermont Lapointe dated March 22, 2016, a copy of which is attached hereto as **Exhibit “X”**.

V. APPOINTMENT & SALE APPROVAL

A. The Appointment

45. The Applicant proposes that A. Farber & Partners Inc. (“**Farber**”) be appointed Receiver in this proceeding. Farber has consented to act as Receiver and its written consent is being filed with this Honourable Court. I believe that it is just and convenient in the circumstances for a receiver to be appointed on the terms set out in the proposed Appointment Order.

46. As described above, the passage of time and the complicated history of interrelated companies, co-ownership and dissolution, as well as the severe shortage of available business records, have rendered the Limited Surface Rights impossible for any party to deal with in the absence of judicial assistance and direction.

47. With the appropriate authority and direction of the Court the Receiver will be in a position to effectively investigate the assets and affairs of the Respondents and their affiliates, and report its findings and recommendations to the Court and the stakeholders.

B. The Proposed Sale

48. The Applicant seeks an Order authorizing the Receiver to enter into an Agreement of Purchase & Sale (the “**Agreement of Purchase & Sale**”), pursuant to which the Applicant will acquire the Limited Surface Rights from the Receiver if approved by this Honourable Court.

49. The Agreement of Purchase & Sale (to be filed with the proposed Receiver's Pre-Filing Report) provides for, among other things, a purchase price in the amount of approximately \$422,534.58 (the “**Purchase Price**”), comprised of the following:

- (a) cash in the amount of approximately \$110,000 payable on closing;

- (b) assumption of liability for the Municipal Tax Debt in the amount of approximately \$124,301.73; and
- (c) the balance in the form of a “credit bid” comprised of an amount of \$188,232.85 owing to Gold Candle in respect of the Judgments.

50. The cash component of the Purchase Price will be used to pay land transfer taxes, professional fees incurred in investigating the assets and affairs of the Respondents, administering the receivership and implementing the proposed transaction (if approved), and other costs.

C. Basis for Approval

51. I understand that this Honourable Court is generally reluctant to approve “pre-packaged” receivership sales. However, I believe that such extraordinary relief is just and appropriate in these somewhat unusual circumstances.

52. I do not believe that any further efforts by the Receiver to market the Limited Surface Rights will yield a purchase price in excess of that contained in the Agreement of Purchase & Sale.

53. Consequently, I do not believe that the Receiver would be acting improvidently in entering the Agreement of Purchase & Sale with the Applicant. Simply put, it is highly improbable that any party other than Gold Candle would have any interest in acquiring the Surface Rights, as Gold Candle already owns the Mining Rights and does not require the Limited Surface Rights to conduct gold mining operations on the subject lands.

D. Valuation of Surface Rights

54. While the proposed Receiver has not canvassed the market in the traditional manner (*i.e.*, by conducting a public sales process), I understand that in preparing its Pre-Filing Report (the

“**Pre-Filing Report**”) the proposed Receiver obtained two independent written valuations of the fair market value of the Surface Rights (together, the “**Appraisals**”):

- (a) Property Appraisal Report prepared by Victor Palangio Real Estate Ltd. dated March 14, 2016 (the “**Palangio Report**”). The Palangio Report includes an estimated market value of \$412,150 for the Limited Surface Rights as at March 2, 2016; and
- (b) Written Appraisal from Northern Pride Real Estate Ltd., a real estate brokerage in Englehart, Ontario, dated February 20, 2016 (the “**Northern Pride Report**”). The Northern Pride Report values the Limited Surface Rights at between the estimated amounts of \$109,607.84 and \$256,943.84.

I am advised by Mr. Peter Crawley of A. Farber & Partners Inc., the proposed Receiver, and do verily believe that copies of the Appraisals referenced at subparagraphs (a) and (b) above will be attached as Schedules to the Pre-Filing Report.

55. As noted at paragraph 49 above, the aggregate value of the various components of the Purchase Price payable under the Agreement of Purchase & Sale significantly exceeds these appraised values.

E. Benefits of Orders Sought

56. The consolidation and “clean up” of title to the lands involved that would result from the proposed transaction would simplify and facilitate investment, exploration, development and operations at the Mine, benefiting a wide range of economic stakeholders in an economically-depressed region of Ontario. Specifically, consolidating title to the mineral and surface rights will

allow for uncollectable municipal property taxes in respect of the Limited Surface Rights to be remitted to the Township of McGarry, will add to the municipal tax base on a go-forward basis and will jump-start proposed mining activities, leading to job creation and increased economic opportunities for local residents.

57. I am advised by my counsel and do verily believe that notice of this proceeding will be provided to known creditors as well as a wide range of other stakeholders and potentially affected parties including the Respondents and their respective officers and directors, the Public Guardian and Trustee, the Ontario Ministry of Northern Development and Mines, the Township of McGarry, the Union and other known creditors.

58. I do not believe that the efficacy or integrity of the process which led to the Agreement of Purchase & Sale would benefit from any sort of typical public sale or auction process in this case. Rather, a sale process would lead to significant additional expense without the reasonable possibility of any other offers, let alone one competitive with the proposed Agreement of Purchase & Sale. In the circumstances, there are few, if any, other qualified purchasers.

59. There has been no unfairness in the process. The Mine has lain dormant for almost twenty years.

VI. GENERAL

A. The Stay of Proceedings

60. The Appointment Order contemplates a stay of all proceedings in respect of GSR Mining, AJ Perron and the Limited Surface Rights pending completion of the transaction contemplated in

the Agreement of Purchase and Sale and the Receiver's investigation of the Respondents' assets and affairs and administration of any remaining property.

B. Receiver's Charge

61. The Appointment Order contemplates the granting of a charge against the Limited Surface Rights in the amount of \$100,000 in favour of the Receiver and its counsel to secure the payment of fees and expenses incurred in connection with this proceeding (the "**Receiver's Charge**"). I believe this to be fair and reasonable in the circumstances.

C. Receiver's Counsel

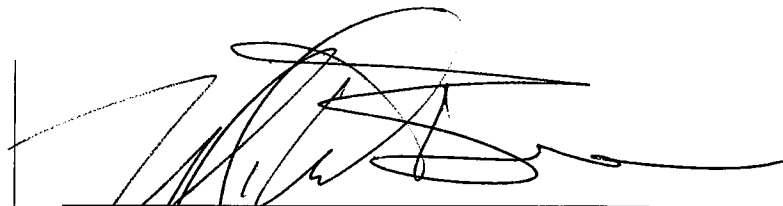
62. The proposed Receiver retained independent counsel, Torkin Manes LLP, to advise it during negotiation of the Agreement of Purchase & Sale as well as through the receivership, should it be appointed.

63. I swear this affidavit in support of an Application for an Appointment Order and an Approval & Vesting Order (the "**Approval & Vesting Order**") in the forms annexed as Schedules "A" and "B", respectively, to the Notice of Application herein, and for no other or improper purpose or delay.

SWORN before me at the City of New York, in the United States of America, this 4th day of April, 2016.



Notary Public



MICHAEL BERNS

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

tab A

This is Exhibit "A" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public



Request ID: 018511165
 Transaction ID: 59950360
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2016/01/12
 Time Report Produced: 15:21:50
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2447664	GOLD CANDLE LTD.	2014/12/23
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
77 KING STREET WEST TD CENTRE NORTH TOWER, P.O. BOX 95 Suit # 3000 TORONTO ONTARIO CANADA M5K 1G8	NOT APPLICABLE	NOT APPLICABLE
Mailing Address	New Amal. Number	Notice Date
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	
	Minimum	Maximum
	00001	00010
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE

Request ID: 018511165
Transaction ID: 59950360
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/12
Time Report Produced: 15:21:50
Page: 2

C CORPORATION PROFILE REPORT

Ontario Corp Number

2447664

Corporation Name

GOLD CANDLE LTD.

Corporate Name History

GOLD CANDLE LTD.

Effective Date

2014/12/23

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

ETHAN

BENOVITZ

Address

244 HUGUENOT STREET

NEW ROCHELLE
NEW YORK
UNITED STATES OF AMERICA 10801

Date Began

2014/12/23

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

N

Request ID: 018511165
Transaction ID: 59950360
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/12
Time Report Produced: 15:21:50
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2447664

GOLD CANDLE LTD.

Administrator:
Name (Individual / Corporation)

Address

MICHAEL
BERNS

767 THIRD AVENUE
Suite # 23RD FLOOR
NEW YORK
NEW YORK
UNITED STATES OF AMERICA 10017

Date Began

First Director

2014/12/23

YES

Designation

Officer Type

Resident Canadian

DIRECTOR

N

Administrator:
Name (Individual / Corporation)

Address

GRANT
V.
SAWIAK

77 KING STREET WEST
TD CENTRE NORTH TOWER, P.O. BOX 95
Suite # 3000
TORONTO
ONTARIO
CANADA M5K 1G8

Date Began

First Director

2014/12/23

YES

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 018511165
Transaction ID: 59950360
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/12
Time Report Produced: 15:21:50
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2447664

GOLD CANDLE LTD.

Last Document Recorded

Act/Code Description

Form

Date

BCA	ARTICLES OF INCORPORATION	1	2014/12/23 (ELECTRONIC FILING)
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THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

tab B

This is Exhibit "B" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

Location



tab C

This is Exhibit "C" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

Request ID: 018505019
Transaction ID: 59933911
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
Time Report Produced: 13:49:48
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
875283	GSR MINING CORPORATION	1989/12/28
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
JOHN E. PERRON 103 GOVERNMENT ROAD EAST	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
KIRKLAND LAKE ONTARIO CANADA P2N 1A9	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
Mailing Address		NOT APPLICABLE
JOHN E. PERRON 103 GOVERNMENT ROAD EAST	Revival Date	Continuation Date
	1994/12/30	NOT APPLICABLE
KIRKLAND LAKE ONTARIO CANADA P2N 1A9	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	UNKNOWN UNKNOWN	Date Ceased
Activity Classification	NOT APPLICABLE	in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 018505019
Transaction ID: 59933911
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
Time Report Produced: 13:49:48
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
875283	GSR MINING CORPORATION

Corporate Name History	Effective Date
GSR MINING CORPORATION	1989/12/28

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
ALEXANDER H. PERRON	103 GOVERNMENT ROAD EAST KIRKLAND LAKE ONTARIO CANADA P2N 1A9

Date Began	First Director	
1990/03/28	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 018505019
Transaction ID: 59933911
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
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Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

875283

Corporation Name

GSR MINING CORPORATION

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

ALEXANDER
H.
PERRON

Address

103 GOVERNMENT ROAD EAST

KIRKLAND LAKE
ONTARIO
CANADA P2N 1A9

Date Began

1993/04/28

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

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

JOHN
E.
PERRON

Address

1595 GRIFFITHS PLACE

KELOWNA
BRITISH COLUMBIA
CANADA V1Z 2T7

Date Began

2002/12/31

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 018505019
Transaction ID: 59933911
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
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Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

875283

Corporation Name

GSR MINING CORPORATION

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

JOHN
E.
PERRON

Address

1595 GRIFFITHS PLACE

KELOWNA
BRITISH COLUMBIA
CANADA V1Z 2T7

Date Began

2002/12/31

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

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

JOHN
E.
PERRON

Address

1595 GRIFFITHS PLACE

KELOWNA
BRITISH COLUMBIA
CANADA V1Z 2T7

Date Began

2002/12/31

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 018505019
Transaction ID: 59933911
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
Time Report Produced: 13:49:48
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

875283

Corporation Name

GSR MINING CORPORATION

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

JOHN
E.
PERRON

Address

1595 GRIFFITHS PLACE

KELOWNA
BRITISH COLUMBIA
CANADA V1Z 2T7

Date Began

2002/12/31

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

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

FRANK
C.
SMEENK

Address

18 WILLINGTON BLVD

ETOBICOKE
ONTARIO
CANADA M8X 2H2

Date Began

1993/04/28

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Request ID: 018505019
Transaction ID: 59933911
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
Time Report Produced: 13:49:48
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

875283

GSR MINING CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
CIA	SPECIAL NOTICE 3	1	2003/10/10

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

tab D

This is Exhibit "D" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE8278977
Qualified in Kings County
Commission Expires Feb. 25, 2017

Reques ID: 018505019
Transaction ID: 59933920
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
Time Report Produced: 13:49:48
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
812404	AJ PERRON GOLD CORP.	1988/12/30
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	CANC. BY C.T.	NOT AVAILABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
J. PERRON 1 KERR CR DR	NOT APPLICABLE	A
VIRGINIATOWN ONTARIO CANADA P0K 1X0	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
J. PERRON 1 KERR CR DR		NOT APPLICABLE
VIRGINIATOWN ONTARIO CANADA P0K 1X0	Revival Date	Continuation Date
	NOT APPLICABLE	NOT AVAILABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	2000/03/27
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	UNKNOWN UNKNOWN	Date Ceased
Activity Classification		in Ontario
MINING (INCL. MILLING) QUARRYING & OIL WELL INDUS.	NOT APPLICABLE	NOT APPLICABLE

Request ID: 018505019
Transaction ID: 59933920
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
Time Report Produced: 13:49:48
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
812404	AJ PERRON GOLD CORP.

Corporate Name History	Effective Date
AJ PERRON GOLD CORP.	1994/09/15
DEAK RESOURCES CORPORATION	1989/03/21
DEAK INTERNATIONAL RESOURCES CORPORATION	1988/12/30

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Amalgamating Corporations

Corporation Name	Corporate Number
WILCO MINING COMPANY LIMITED	26796
DEAK ARIADNE LIMITED	687977
SEADRIFT INTERNATIONAL EXPLORATION LTD.	709915

Request ID: 018505019
Transaction ID: 59933920
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
Time Report Produced: 13:49:48
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

812404

Corporation Name

AJ PERRON GOLD CORP.

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

VICTOR
J.
ELIAS

Address

7212 MAPLE STREET

VANCOUVER
BRITISH COLUMBIA
CANADA V6P 5P6

Date Began

1994/07/21

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

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

ALEXANDER
H.
PERRON

Address

103 GOVERNMENT ROAD EAST

KIRKLAND LAKE
ONTARIO
CANADA P2N 1A9

Date Began

1992/06/30

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 018505019
Transaction ID: 59933920
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
Time Report Produced: 13:49:48
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

812404

Corporation Name

AJ PERRON GOLD CORP.

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

ALEXANDER
H.
PERRON

Address

103 GOVERNMENT ROAD EAST

KIRKLAND LAKE
ONTARIO
CANADA P2N 1A9

Date Began

1993/04/28

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

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

ALEXANDER
H.
PERRON

Address

103 GOVERNMENT ROAD EAST

KIRKLAND LAKE
ONTARIO
CANADA P2N 1A9

Date Began

1993/04/28

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Y

Request ID: 018505019
Transaction ID: 59933920
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
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CORPORATION PROFILE REPORT

Ontario Corp Number

812404

Corporation Name

AJ PERRON GOLD CORP.

Administrator:

Name (Individual / Corporation)

JOHN
E.
PERRON

Address

1595 GRIFFITHS PLACE

KELOWNA
BRITISH COLUMBIA
CANADA V1Z 2T7

Date Began

1993/04/28

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

JOHN
E.
PERRON

Address

1595 GRIFFITHS PLACE

KELOWNA
BRITISH COLUMBIA
CANADA V1Z 2T7

Date Began

1993/04/28

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 018505019
Transaction ID: 59933920
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Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
812404	AJ PERRON GOLD CORP.

Administrator: Name (Individual / Corporation)	Address
JOHN E. PERRON	1595 GRIFFITHS PLACE KELOWNA BRITISH COLUMBIA CANADA V1Z 2T7

Date Began	First Director	
1993/04/28	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	OTHER	Y

Administrator: Name (Individual / Corporation)	Address
JOHN E. PERRON	1595 GRIFFITHS PLACE KELOWNA BRITISH COLUMBIA CANADA V1Z 2T7

Date Began	First Director	
1993/07/07	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Request ID: 018505019
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Province of Ontario
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
812404	AJ PERRON GOLD CORP.

Administrator: Name (Individual / Corporation)	Address
JAMES ARTHUR ROBERT VOISIN	18 MAIR COURT ST CLEMENTS ONTARIO CANADA N0B 2M0

Date Began	First Director	Resident Canadian
1994/08/11	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Request ID: 018505019
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Category ID: UN/E

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

812404

AJ PERRON GOLD CORP.

Last Document Recorded

Act/Code	Description	Form	Date
BCAC	CANCELLED REQUEST CT	241-4	2000/04/10

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

PLEASE NOTE THAT WHEN THE SAME INDIVIDUAL HOLDS MULTIPLE 'OTHER UNTITLED' OFFICER POSITIONS, AS INDICATED ON A FORM 1 UNDER THE *CORPORATIONS INFORMATION ACT*, ONLY ONE OF THESE 'OTHER UNTITLED' POSITIONS HELD BY THAT INDIVIDUAL WILL BE REFLECTED ON THIS REPORT.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

tab E

This is Exhibit "E" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public



Request ID: 018505019
Transaction ID: 59933914
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
865748	GSR ACQUISITION CORPORATION	1989/11/03
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	CANC. BY C.T.	NOT AVAILABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
1 KERR CR DR	NOT APPLICABLE	NOT APPLICABLE
VIRGINIA TOWN ONTARIO CANADA P0K 1X0	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
1 KERR CR DR		NOT APPLICABLE
VIRGINIA TOWN ONTARIO CANADA P0K 1X0	Revival Date	Continuation Date
	NOT APPLICABLE	NOT AVAILABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	1996/08/26
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Ceased
	Minimum Maximum	in Ontario
	UNKNOWN UNKNOWN	NOT APPLICABLE
Activity Classification		
MINING (INCL. MILLING) QUARRYING & OIL WELL INDUS.		

Request ID: 018505019
Transaction ID: 59933914
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

865748

Corporation Name

GSR ACQUISITION CORPORATION

Corporate Name History

GSR ACQUISITION CORPORATION

Effective Date

1989/11/03

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

ALEX
H.
PERRON

Address

103 GOVERNMENT RD

KIRKLAND LAKE
ONTARIO
CANADA P2N 1A9

Date Began

1993/04/28

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Request ID: 018505019
Transaction ID: 59933914
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
865748	GSR ACQUISITION CORPORATION

Administrator: Name (Individual / Corporation)	Address
JOHN E. PERRON	1595 GRIFFITHS PL KELOWNA BRITISH COLUMBIA CANADA V1Z 2T7

Date Began	First Director	
1993/04/28	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	TREASURER	

Administrator: Name (Individual / Corporation)	Address
JOHN E. PERRON	1595 GRIFFITHS PL KELOWNA BRITISH COLUMBIA CANADA V1Z 2T7

Date Began	First Director	
1993/04/28	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	OTHER	

Request ID: 018505019
Transaction ID: 59933914
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Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

865748

Corporation Name

GSR ACQUISITION CORPORATION

Administrator:

Name (Individual / Corporation)

JOHN
E.
PERRON

Address

1595 GRIFFITHS PL

KELOWNA
BRITISH COLUMBIA
CANADA V1Z 2T7

Date Began

1993/07/07

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Administrator:

Name (Individual / Corporation)

FRANK
C.
SMEENK

Address

18 WILLINGDON

ETOBICOKE
ONTARIO
CANADA M8X 2H2

Date Began

1989/11/03

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Request ID: 018505019
Transaction ID: 59933914
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
865748	GSR ACQUISITION CORPORATION

Administrator: Name (Individual / Corporation)	Address
FRANK C SMEENK	18 WILLINGDON ETOBICOKE ONTARIO CANADA M8X 2H2

Date Began	First Director	
1989/11/03	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	

Administrator: Name (Individual / Corporation)	Address
FRANK C SMEENK	18 WILLINGDON ETOBICOKE ONTARIO CANADA M8X 2H2

Date Began	First Director	
1989/11/03	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	TREASURER	

Request ID: 018505019
Transaction ID: 59933914
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

865748

Corporation Name

GSR ACQUISITION CORPORATION

Administrator:

Name (Individual / Corporation)

JAMES
ARTHUR
VOISIN

Address

18 MAIR CRT

ST CLEMENTS
ONTARIO
CANADA NOB 2M0

Date Began

1994/08/11

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

JAMES
ARTHUR
VOISIN

Address

18 MAIR CRT

ST CLEMENTS
ONTARIO
CANADA NOB 2M0

Date Began

1994/08/11

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Y

Request ID: 018505019
Transaction ID: 59933914
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

865748

GSR ACQUISITION CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
BCAC	CANCELLED REQUEST CT	241-4	1996/09/10

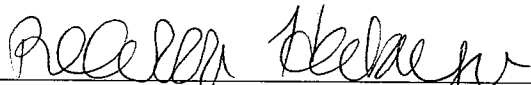
THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

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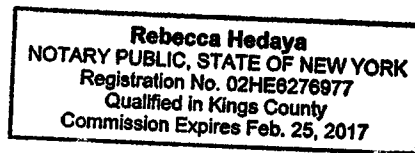
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

tab F

This is Exhibit "F" referred to in the Affidavit of Michael Berns sworn
April 4, 2016



Notary Public



Request ID: 018505019
Transaction ID: 59933918
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
Time Report Produced: 13:49:48
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1061317	KERR JEX CORPORATION	1994/01/12
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
JOHN E PERRON 103 GOVERNMENT RD. E.		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
KIRKLAND LAKE ONTARIO CANADA P2N 1A9		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
Mailing Address		Letter Date
JOHN E PERRON 103 GOVERNMENT RD. E.		NOT APPLICABLE
		Revival Date
		NOT APPLICABLE
KIRKLAND LAKE ONTARIO CANADA P2N 1A9		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum	in Ontario
	Maximum	Date Ceased
	00001	in Ontario
	00009	NOT APPLICABLE
Activity Classification		NOT APPLICABLE
NOT AVAILABLE		

Request ID: 018505019
Transaction ID: 59933918
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
Time Report Produced: 13:49:48
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1061317	KERR JEX CORPORATION

Corporate Name History	Effective Date
KERR JEX CORPORATION	1994/01/12

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
ALEX PERRON	103 GOVERNMENT ROAD EAST KIRKLAND LAKE ONTARIO CANADA P2N 1A9

Date Began	1994/01/12	First Director	NOT APPLICABLE
Designation	DIRECTOR	Officer Type	Resident Canadian
			Y

Request ID: 018505019
Transaction ID: 59933918
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
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CORPORATION PROFILE REPORT

Ontario Corp Number

1061317

Corporation Name

KERR JEX CORPORATION

Administrator:

Name (Individual / Corporation)

ALEX
PERRON

Address

103 GOVERNMENT ROAD EAST

KIRKLAND LAKE
ONTARIO
CANADA P2N 1A9

Date Began

1994/01/12

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

JOHN
E.
PERRON

Address

103 GOVERNMENT RD. E.

KIRKLAND LAKE
ONTARIO
CANADA P2N 1A9

Date Began

1994/01/12

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 018505019
Transaction ID: 59933918
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
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CORPORATION PROFILE REPORT

Ontario Corp Number

1061317

Corporation Name

KERR JEX CORPORATION

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

JOHN
E.
PERRON

Address

103 GOVERNMENT RD. E.

KIRKLAND LAKE
ONTARIO
CANADA P2N 1A9

Date Began

1994/01/12

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

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

JONATHAN
L.B.
PERRON

Address

1595 GRIFFITHS PLACE

WEST KELOWNA
BRITISH COLUMBIA
CANADA V1Z 2T7

Date Began

2010/12/03

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 018505019
Transaction ID: 59933918
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1061317	KERR JEX CORPORATION

Administrator: Name (Individual / Corporation)	Address
JONATHAN L.B. PERRON	1595 GRIFFITHS PLACE WEST KELOWNA BRITISH COLUMBIA CANADA V1Z 2T7

Date Began	First Director	Resident Canadian
2010/12/03	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Request ID: 018505019
Transaction ID: 59933918
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/11
Time Report Produced: 13:49:48
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1061317

KERR JEX CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2010/12/15

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

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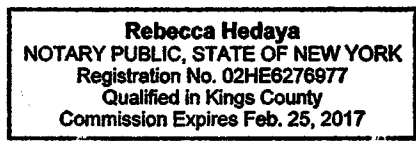
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

tab G

This is Exhibit "G" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public



ASSIGNMENT AGREEMENT

This **ASSIGNMENT AGREEMENT** (the "**Agreement**") dated as of January 29th, 2015 is made by and between:

UNITED STEEL WORKERS OF AMERICA, LOCAL 9283,
200 Ronson Drive, Suite 300
Etobicoke, Ontario
Canada M9W 5Z9

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

- and -

GOLD CANDLE LTD.,
c/o Berns & Berns
23rd Floor, 767 Third Avenue
New York, New York
USA 10017

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

WHEREAS the Assignor is the beneficial holder of a debenture dated November 29, 1989 issued by GSR Mining Corporation ("**GSR**") that was granted as continuing security for the payment of up to \$3 million and registered on April 6, 1994 in the Land Registry Office for the Land Titles Division of Timiskaming (No. 54) as Instrument No. LT 283071 ("**Debenture # 1**");

AND WHEREAS the Assignor is the registered and beneficial holder of a debenture dated March 29, 1994 issued by Kerr Jex Corporation ("**Kerr Jex**") that was granted as continuing security for the payment of up to \$3 million and registered April 6, 1994 in the Land Registry Office for the Land Titles Division of Timiskaming (No. 54) as Instrument No. LT 283072; ("**Debenture # 2**", and together with Debenture # 1, the "**Debentures**");

AND WHEREAS the Assignor holds i) an order of the Ontario Court (General Division) entered April 4, 1997 as Court No. 97-MU-16878; and ii) an order of the Ontario Court (General Division) entered April 4, 1997 as Court No. 97-MU-16879; each filed by the Union against GSR and AJ Perron Gold Corp. ("**AJ Perron**") pursuant to section 48(19) of the *Labour Relations Act* (Ontario) (collectively, the "**Judgments**");

AND WHEREAS the Assignor wishes to assign, transfer and convey all of its rights and obligations under the Debentures and the Judgments including with respect to the payment of all outstanding indebtedness owing thereunder to the Assignee and the Assignee wishes to accept and assume all such rights and obligations of the Assignor under the Debentures and the Judgments in accordance with the terms of this Agreement;

NOW THEREFORE in consideration of the premises hereto and the mutual covenants and agreements herein set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties hereto mutually covenant and agree as follows:

1. The Assignor hereby assigns, transfers, and conveys to the Assignee all of the rights, title, interests, obligations and liabilities of the Assignor in and to the Debentures, including the right to receive payment of all outstanding indebtedness owing thereunder and to have and to hold the same unto the Assignee for its sole use and benefit absolutely, to the same extent and with the same force and effect as though the Assignee was the original party to the Debentures in the place and stead of the Assignor.
2. The Assignor hereby assigns, transfers, and conveys to the Assignee all of the rights, title, interests, obligations and liabilities of the Assignor in and to the Judgments, including the right to receive payment of all outstanding indebtedness owing thereunder and to have and to hold the same unto the Assignee for its sole use and benefit absolutely, to the same extent and with the same force and effect as though the Assignee was the original party to the Judgments in the place and stead of the Assignor.
3. The Assignee hereby accepts the assignment set forth herein and covenants and agrees with the Assignor to assume and be bound by and observe, carry out and perform and fulfill all of the covenants, conditions, obligations and liabilities of the Assignor under the Debentures and the Judgments to the same extent and with the same force and effect as though the Assignee was the original party to the Debentures and the Judgments in the place and stead of the Assignor.
4. The Assignor represents and warrants that:
 - (a) as of the date hereof, the Debentures and the Judgments are in full force and effect and in good standing; and
 - (b) as of the date hereof, it is not in breach of any of the covenants, conditions and agreements contained in the Debentures and the Judgments.
5. The Assignee shall not release GSR, Kerr Jex, AJ Perron and any other successor in interest from their respective obligations under the Debentures and the Judgments.
6. The Assignor covenants and agrees with the Assignee that it shall and will, from time to time and at all times hereafter, at the request of the Assignee, execute such further assurances and do all such further acts as may be reasonably required for the purpose of vesting in the Assignee all of the interest of the Assignor in and under the Debentures and the Judgments hereby assigned.
7. Time shall be of the essence of this Agreement.
8. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

9. This Agreement may be signed in two or more counterparts with the same effect as if all parties had signed and delivered the same copy, and when each party has signed and delivered a counterpart, all counterparts together constitute one agreement. This Agreement may also be signed by facsimile or by other electronic means and delivery of copy of this Agreement by facsimile or such electronic means is good and sufficient delivery.
10. This Agreement shall be governed by the laws of the Province of Ontario.

[EXECUTION PAGE TO FOLLOW]

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement under seal as of the day and year first written above.

**UNITED STEEL WORKERS OF AMERICA,
LOCAL 9283**

Per:



Name: Marty Warren

Title: Director, USW, District 6

GOLD CANDLE LTD.

Per:

Name: Michael Berns

Title: President

(Signature page to Assignment Agreement)

tab H

This is Exhibit "H" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">FOR OFFICE USE ONLY</p> <p style="font-size: 24pt; font-weight: bold;">283071</p> <p style="font-size: 18pt;">M9N M9R -6 A 11:00</p> <p style="font-size: 12pt;">CERTIFICATE OF RECEIPT CERTIFICAT DE RECEPTION</p> <p style="font-size: 14pt; font-weight: bold;"><i>McGarry</i></p> <p style="font-size: 10pt;">G.A. PERRY LAND REGISTRAR REGISTERED TIMISKAMING NO. 88 HAULEYBURY</p>	(1) Registry <input type="checkbox"/>	Land Titles <input checked="" type="checkbox"/>	(2) Page 1 of 12 pages
	(3) Property Identification(s)	Block	Property
	(4) Nature of Document		
	(5) Consideration		
New Property Identifiers		Additional Fee Schedule <input type="checkbox"/>	
Location		Additional Fee Schedule <input type="checkbox"/>	
(7) This Document Constitutes		(8) Underwritten New Equipment Plan/Block <input type="checkbox"/>	(9) Schedule for: Description <input checked="" type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input checked="" type="checkbox"/>

(6) This Document provides as follows:

See schedule.

Pursuant to Section 93(9), Chapter L-5 of the Land Titles Act, United Steel Workers of America, Local 9293, is entitled to receive the monies payable thereunder and to give a discharge thereof.

Continued on Schedule

(10) Party(ies) (Set out Status or Interest)

Name(s) Signature(s) Date of Signature

GAR MINING CORPORATION *[Signature]* 1994.03.28

(Chargee) I/We have authority to bind the Corporation.

(11) Address for Service Suite 501, 155 University Avenue, Toronto, Ontario, M5H 3B7

(12) Party(ies) (Set out Status or Interest)

Name(s) Signature(s) Date of Signature

UNITED STEEL WORKERS OF AMERICA, LOCAL 9293 *[Signature]* 1994.03.28

(Chargee) Trustee

(13) Address for Service 4 Government Road West, Kirkland Lake, Ontario, P2N 3H7

(14) Mailed Address of Property	(15) Documents Prepared by:	Fees and Tax
Not Assigned	Sack, Goldblatt, Mitchell 20 Dundas Street West Suite 1130 Toronto, Ontario M5G 2G8	Registration Fee 50.00
	R.D.G.	
		Total

"DJ"

SCHEDULE "A"

QSR PROPERTY

<u>Parcel</u>	<u>Claim</u>	<u>Township</u>	
348CST	L-5414	McGARRY	SURFACE RIGHTS ONLY
850NND	PART H.J.B1	McGARRY	SURFACE RIGHTS ONLY
1176CST	L-6625	McGARRY	SURFACE RIGHTS ONLY
3014CST	PART OF L-19984	McGARRY	SURFACE RIGHTS ONLY
4548CST	PART L5415	McGARRY	SURFACE RIGHTS ONLY
4547CST	PART L-6623	McGARRY	SURFACE RIGHTS ONLY
4548CST	PART L-6624	McGARRY	SURFACE RIGHTS ONLY
4603SST	ISLAND "S" IN LARDER LAKE	McFADDEN	SURFACE RIGHTS ONLY
4951CST	PT HJB 30 & 31 PART OF HS 164 & 165	McGARRY	SURFACE RIGHTS ONLY
5177SST	PART OF ISLAND "T" IN LARDER LAKE	McFADDEN	SURFACE RIGHTS ONLY
5293CST	L-31550	McGARRY	SURFACE RIGHTS ONLY
5294CST	L-31551	McGARRY	SURFACE RIGHTS ONLY
5295CST	L-31552	McGARRY	SURFACE RIGHTS ONLY
5296CST	L-25854	McGARRY	SURFACE RIGHTS ONLY
5330CST	L-24371	McGARRY	SURFACE RIGHTS ONLY
5331CST	L-24181	McGARRY	SURFACE RIGHTS ONLY
6115CST	PART L-39754	McGARRY	SURFACE RIGHTS ONLY
6414SST	PART OF ISLAND "R" LARDER LAKE	McFADDEN	SURFACE RIGHTS ONLY
6417CST	PT HJB 32 & 33 PART OF HS 135	McGARRY	SURFACE RIGHTS ONLY
6418CST	LOTS 12, 36, 81, 201, 252 & 253 PLAN M-128	McGARRY	SURFACE RIGHTS ONLY
6418CST	LOT 296, M-132	McGARRY	SURFACE RIGHTS ONLY
7612CST	PART H.J.B. 28	McGARRY	SURFACE RIGHTS ONLY

-2-

<u>Parcel</u>	<u>Claim</u>	<u>Township</u>	
7613CST	PART H.J.B. 29	McGARRY	SURFACE RIGHTS ONLY
7614CST	PART OF H.S. 133	McGARRY	SURFACE RIGHTS ONLY
7616CST	PART OF H.S. 168	McGARRY	SURFACE RIGHTS ONLY
7617CST	PART H.F. 33	McGARRY	SURFACE RIGHTS ONLY
7618CST	H.F. 37	McGARRY	SURFACE RIGHTS ONLY
7618CST	PART LM3	McGARRY	SURFACE RIGHTS ONLY
7620CST	PART OF A FRACTION BETWEEN H.F. 37 (T2018) & LM3 (T2178)	McGARRY	SURFACE RIGHTS ONLY
7621CST	L-25206	McGARRY	SURFACE RIGHTS ONLY
7622CST	L-25207	McGARRY	SURFACE RIGHTS ONLY
7623CST	PART L-27044	McGARRY	SURFACE RIGHTS ONLY
7624CST	PART L-30131	McGARRY	SURFACE RIGHTS ONLY
7625CST	PART L-30132	McGARRY	SURFACE RIGHTS ONLY
7626CST	PART L-30133	McGARRY	SURFACE RIGHTS ONLY
7627CST	PART L-31160	McGARRY	SURFACE RIGHTS ONLY
7628CST	PART L-31162	McGARRY	SURFACE RIGHTS ONLY
7629CST	L-36321	McGARRY	SURFACE RIGHTS ONLY
7656CST	L-8863(HS134)	McGARRY	SURFACE RIGHTS ONLY
7738CST	LOTS 1010, 1011, 1012, 1013, 1014, 1015, 1019, 1020, 1021 & PART OF BLOCKS B & F, PLAN M-168	McGARRY	SURFACE RIGHTS ONLY
7821CST	LOTS 1018, 1017, 1018, PLAN M-168	McGARRY	SURFACE RIGHTS ONLY
8654CST	PART H.F. 405 PART H.F. 408	McGARRY	SURFACE RIGHTS ONLY
8655CST	PART L-5413	McGARRY	SURFACE RIGHTS ONLY

c8oc

<u>Parcel</u>	<u>Claim</u>	<u>Township</u>	
8656CST	PART H.S. 180 (L891)	McGARRY	SURFACE RIGHTS ONLY
9466CST	L-42040	McGARRY	SURFACE RIGHTS ONLY
9467CST	L-42041	McGARRY	SURFACE RIGHTS ONLY
9469CST	L-25205	McGARRY	SURFACE RIGHTS ONLY
9470CST	PART H.F. 404	McGARRY	SURFACE RIGHTS ONLY
> 23858SST	ISLAND "S" LARDER LAKE	McFADDEN	MINING RIGHTS ONLY
X 23859SST	SUMMER RESORT LOCATION BEING PART OF ISLAND "T" LARDER LAKE	McFADDEN	MINING RIGHTS ONLY
) 23860SST	SUMMER RESORT LOCATION BEING PART OF ISLAND "R" LARDER LAKE	McFADDEN	MINING RIGHTS ONLY

The Chargoer is a registered owner of a fifty percent interest in all the parcels except 23858SST, 23859SST and 23860SST, of which it is the sole owner.

DEBENTURE and GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made between:

**GSR Mining Corporation
Suite 501
155 University Avenue
Toronto, Ontario
M5H 3B7**

(the "Debtor")

OF THE FIRST PART

- and -

**United Steel Workers of America
Local 8283
4 Government Road West
Kirkland Lake, Ontario
P2N 3H7**

(the "Creditor")

OF THE SECOND PART

1. Consideration

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the Debtor enters into this security agreement with the Creditor.

2. Obligations Secured

The Security Interest (as hereinafter defined) is granted to the Creditor by the Debtor as continuing security for the payment of retirement or termination payments which the Debtor may be required to make pursuant to the provisions of a Memorandum of Agreement executed by the parties on the 28th day of November 1989, or the sum of three million (\$3,000,000) dollars, whichever is less (the "Obligations").

3. Creation of Security Interest

The Debtor hereby grants, mortgages, charges, transfers, assigns and creates to and in favour of the Creditor a security interest in the following:

Property, Plant and Equipment

- (a) all lands and premises and all present and future equipment of the Debtor, including all machinery, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to the lands of the Debtor and or to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto ("Property, Plant and Equipment");

Documents

- (b) all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating to the collateral subject to the Security Interest ("Documents");

Undertaking

- (c) all present and future personal property, business, and undertaking of the Debtor not being, Property, Plant and Equipment or Documents ("Undertaking"); and

Proceeds

- (d) all personal property in any form derived directly or indirectly from any dealing with collateral subject to the Security Interest or the proceeds therefrom, and including any payment representing indemnity or compensation for loss of or damage thereto or the proceeds therefrom ("Proceeds").

The Property, Plant and Equipment, Documents, Undertaking and Proceeds are collectively called the "Collateral". Any reference in this agreement to Collateral shall mean Collateral or any part thereof, unless the context otherwise requires.

The grants, mortgages, charges, transfers, assignments and security interests herein created are collectively called the "Security Interest".

4. Property Description

Without limiting the generality of the description of Collateral as set out in paragraph 3, for greater certainty the Collateral shall include all real property and present and future personal property of the Debtor located on or about or in transit to or from the properties of the Debtor located in and at the Township of McGary, District of Temiskaming and Province of Ontario conveyed by and held under registered instrument number 263265 and as therein more particularly described.

5. Attachment

The parties acknowledge that value has been given; the Debtor has rights in the Collateral; and the parties have not agreed to postpone the time for attachment of the Security Interest.

6. Dealings with Collateral

Until the occurrence of an Event of Default (as hereinafter defined), the Debtor may sell, assign, exchange, transfer, lease or otherwise dispose of or otherwise deal with the Collateral, whether in the ordinary course of the Company's business or otherwise, so that any such purchaser, assignee, transferee, lessee or other person, as applicable, takes title clear of the Security Interest.

7. Exception re Leasehold Interest and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the Security Interest, but the Debtor agrees to stand possessed of such last day in trust for any person acquiring such interest of the Debtor. To the extent that the creation of the Security Interest would constitute a breach or cause the acceleration of any agreement, right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Creditor, and shall assign such agreement, right, license or permit to the Creditor forthwith upon obtaining the consent of the other party thereto.

8. Representations and Warranties

The Debtor hereby represents and warrants as follows to the Creditor and acknowledges that the Creditor is relying thereon (and each of such representations and warranties shall be deemed to be a condition):

- (a) the Debtor has the capacity and authority to create the Security Interest and generally perform its obligations under this agreement;
- (b) the execution and delivery of this agreement and the performance by the Debtor of its obligations hereunder have been duly authorized by all necessary proceedings;
- (c) the chief executive officer of the Debtor is located at the address of the Debtor set out on the first page of this agreement.

9. Covenants of Debtor

The Debtor covenants and agrees as follows:

Payment of Obligations

- (a) to pay or satisfy all Obligations when due;

Disposition of Collateral

- (b) not to sell, exchange, transfer, assign, lease or otherwise dispose of or deal in any way with the Collateral or any interest herein, or enter into any agreement or undertaking to do so; except as may be permitted in this agreement;

Notice to Creditor

- (c) to promptly notify the Creditor of any material change in the Debtor's name or any other material change in any information provided in this agreement or any actual or potential material claim affecting the Debtor, the Collateral or the Security Interest;

Business Activities

- (d) to preserve its rights, powers, licences, privileges, franchises and goodwill, comply with all applicable laws, rules, and regulations, and generally conduct its business in a proper and efficient manner so as to protect the Collateral, the Security Interest and the business and undertaking of the Debtor;

Corporate Existence

- (e) to maintain its existence;

Taxes and Charges

- (f) to promptly pay all taxes, assessments, rates, levies, payroll deductions, workers compensation assessments, and any other charges which could result in the creation of a statutory lien or deemed trust in respect of the Collateral;

Further Assurances

- (g) to do, make, execute and deliver such further and other assignments, transfers, deeds, security agreements and other documents as may be required by the Creditor to establish in favour of the Creditor the Security Interest intended to be created hereby and to accomplish the intention of this agreement.

Payment of Expenses

- (h) to pay all expenses, including solicitors' and receivers' fees and disbursements, incurred by the Creditor or its agents (including any Receiver, as hereinafter defined) in connection with the preparation, preservation, and enforcement of this agreement; including all expenses incurred by the Creditor or such agents in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest; all of which expenses shall be payable forthwith upon demand and shall form part of the Obligations.

- 10. **Covenants of Creditor**
The Creditor covenants and agrees as follows:

Postponement

- (a) to execute and deliver within seven (7) business days after notice of a request therefore from the Debtor, all reasonable evidences in writing required by the Debtor for the postponement of the Creditor's Security Interest in the Collateral in favour of any person advancing secured debt financing to the Debtor whether for working capital or for plant and equipment purchases, of a sum not less than \$500,000;

Partial Discharge

- (b) to execute and deliver a Release and Discharge of its Security Interest to the extent of the sum that exceeds the Obligations, upon receipt of a certificate of the Auditor of the Debtor certifying the balance of the Obligations then outstanding, as determined in accordance with accounting principles and actuarial assumptions generally accepted in Canada.

Discharge

- (c) to execute and deliver a Release and Discharge of its Security Interest upon receipt of a certificate of the Auditor of the Debtor certifying that the Debtor has made irrevocable provision to fund not less than ninety-five (95%) per centum of the Obligations as determined in accordance with accounting principals and actuarial assumptions generally accepted in Canada;

11. Events of Default

The Debtor shall be in default under this agreement upon the occurrence of any one or more of the following events (an "Event of Default"):

- (a) the Debtor fails to satisfy or perform any of the Obligations when due;
- (b) any representation or warranty made by the Debtor herein is or becomes incorrect or untrue, or the Debtor breaches or fails to comply with any material term of this agreement;
- (c) the Debtor becomes insolvent or bankrupt or makes a proposal under the Bankruptcy Act (Canada); a petition in bankruptcy is filed against the Debtor and the same is not diligently and in good faith being contested by the Debtor; the Debtor makes an assignment for the benefit of creditors; a trustee or receiver or manager is appointed in respect of the Debtor or substantially all of its assets; or for the dissolution, liquidation, or winding-up of the affairs of the Debtor.
- (d) the Debtor ceases to carry on business; or
- (e) an execution or any similar process of any court becomes enforceable against the Debtor, which may materially affect the financial affairs and operations of the Debtor taken as a whole, or a distress or any similar process is levied upon any property of the Debtor, provided that the same is not diligently and in good faith being contested by the Debtor.

12. Acceleration Upon Default; Obligation to Advance

Upon the occurrence of an Event of Default, the Obligations shall be immediately due and payable if the default has not been cured or remedied within twenty-one (21) days of the Event of Default.

13. Remedies Upon Default

Upon the occurrence of an Event of Default, the Security Interest shall immediately become enforceable, and the Creditor shall have the following remedies in addition to any other remedies available at law or equity or contained in any other agreement between the Debtor and the Creditor, all of which remedies shall be independent and cumulative:

- (a) entry of any premises where Collateral may be located;
- (b) possession of Collateral by any method permitted by law;
- (c) the sale or lease of Collateral;
- (d) the collection of any rents, income, and profits received in connection with the Collateral;
- (e) the appointment by instrument in writing of a receiver, or a receiver and manager (each of which is herein called a "Receiver") of the Collateral;
- (f) proceedings in any court of competent jurisdiction for the appointment of a receiver or a receiver and manager or for the sale of the Collateral; and
- (g) the filing of proofs of claim and other documents in order to have the claims of the Creditor lodged in any bankruptcy, winding-up, or other judicial proceedings relating to the Debtor.

14. Powers of Receiver

Any Receiver appointed by the Creditor may be any person or persons, and the Creditor may remove any Receiver so appointed and appoint another or others instead. Any Receiver appointed shall act as agent for the Creditor for the purposes of taking possession of the Collateral, and (except as provided below) as agent for the Debtor for all purposes, including without limitation the occupation of any premises of the Debtor. For the purposes of realizing upon the Security Interest, the Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Creditor as it may determine in its discretion. Any Receiver so appointed shall have the following powers:

- (a) to enter upon, use, and occupy all premises owned or occupied by the Debtor;
- (b) to take possession of the Collateral;
- (c) to borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and in the discretion of such Receiver, to charge and grant further security interests in the collateral in priority to the Security Interest, as security for the money so borrowed;
- (d) to sell, lease, or otherwise dispose of the Collateral or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its discretion;

- (e) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and to give valid and effectual receipts and discharges therefor, and to compromise or give time for the payment or performance of all or any part of the Accounts or any other obligation of any third party to the Debtor; and
- (f) to exercise any rights or remedies which could have been exercised by the Creditor against the Debtor or the Collateral.

15. Failure of Creditor to Exercise Remedies

The Creditor shall not be liable for any delay or failure to enforce any remedies available to it or to institute any proceedings for such purposes.

16. Application of Payments

The payments made in respect of the Obligations and all monies received by the Creditor or any Receiver appointed by the Creditor in respect of the enforcement of the Security Interest (including the receipt of any money) shall be held as security for the Obligations. The Debtor shall remain liable to the Creditor for any deficiency; and any surplus funds realized after the satisfaction of all Obligations shall be paid in accordance with applicable law.

17. Dealings by Creditor

The Creditor may grant extensions of time and other indulgences, take and give up securities, accept compromises, grant releases and discharges, and otherwise deal with the Collateral, the Debtor, debtors of the Debtor, sureties of the Debtor, and others as the Creditor may see fit, without prejudice to the Obligations and the rights of the Creditor to hold and realize upon the Security Interest. The Creditor has no obligation to keep Collateral identifiable, or to preserve rights against prior secured creditors in respect of any Collateral.

18. Notice

Without prejudice to any other method of giving notice, any notice required or permitted to be given hereunder to any party shall be conclusively deemed to have been received by such party on the date following the sending thereof by prepaid private courier to such party at its address noted on the first page of this agreement.

19. Separate Security

This agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Creditor in respect of the Debtor, the Obligations or the Collateral.

20. Creditor Not Obligated to Advance

Nothing in this agreement shall obligate the Creditor to make any loan or accommodation to the Debtor, or extend the time for payment or satisfaction of any Obligations.

21. Severability

If any provision of this agreement shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

22. Time of Essence

Time shall be of the essence of this agreement.

23. Grammatical Changes

This agreement is to be read as if all changes in grammar, number and gender rendered necessary by the context had been made, specifically including a reference to a person as a corporation and vice-versa.

24. Governing Law; Attornment

This agreement shall be interpreted in accordance with the laws of the Province of Ontario, and without prejudice to the ability of the Creditor to enforce this agreement in any other proper jurisdiction, the Debtor hereby irrevocably submits and attorns to the jurisdiction of the courts of the Province of Ontario.

25. Successors and Assigns

This agreement is binding upon the parties hereto, and their respective heirs, executors, administrators, legal personal representatives, successors and permitted assigns; "successors" includes any corporation resulting from the amalgamation of any corporation with another corporation.

26. Copy of Agreement

The parties each acknowledge receipt of an executed copy of this agreement.

IN WITNESS WHEREOF, this agreement has been executed, sealed and delivered by the parties this 29th day of November, 1989.

GSR Mining Corporation

By: 

FRANK
I hereby authorize to bind the Corporation.
United Steel Workers of America
Local 9283

By: 

Anthony Cliche
Trustee

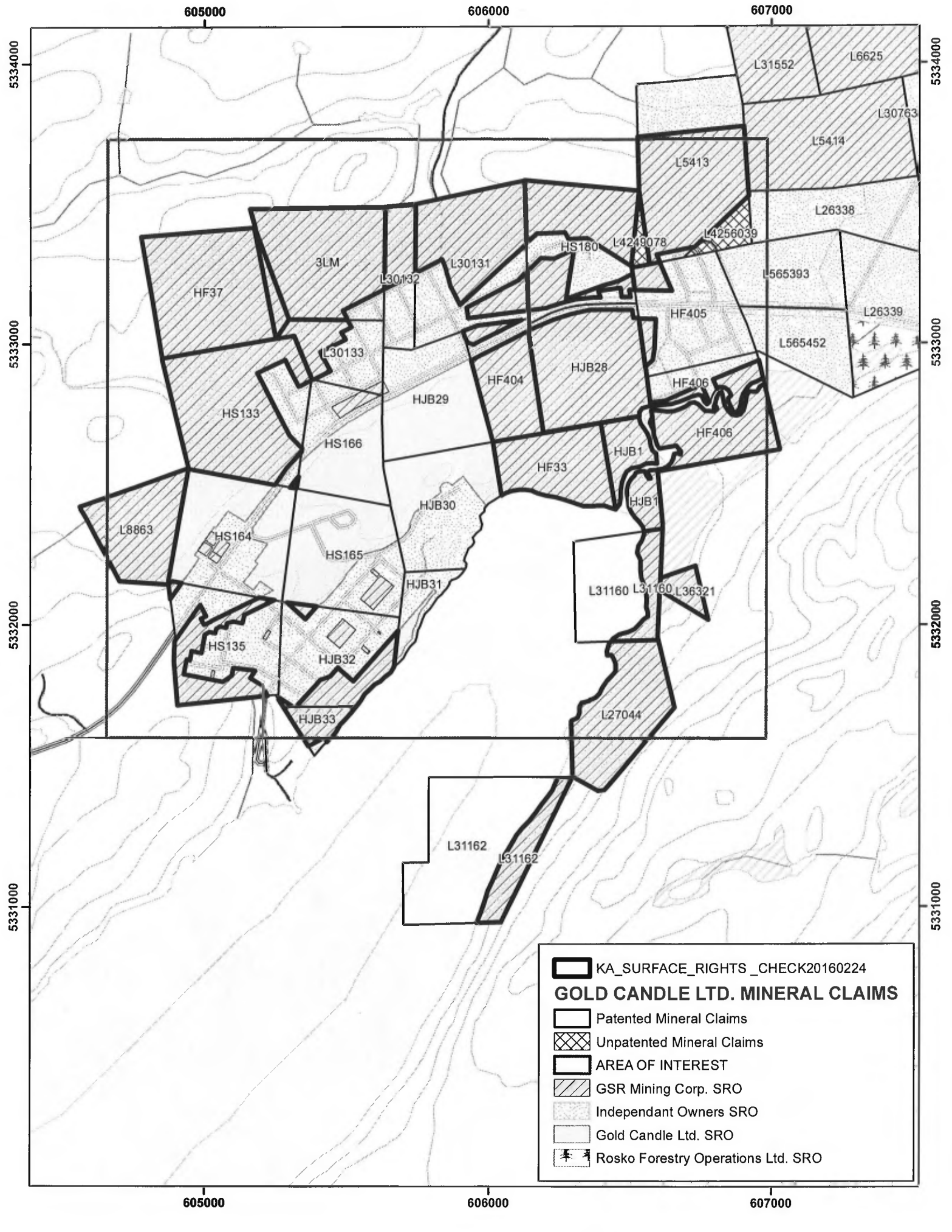
tab I

This is Exhibit "I" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017



	KA_SURFACE_RIGHTS_CHECK20160224
GOLD CANDLE LTD. MINERAL CLAIMS	
	Patented Mineral Claims
	Unpatented Mineral Claims
	AREA OF INTEREST
	GSR Mining Corp. SRO
	Independant Owners SRO
	Gold Candle Ltd. SRO
	Rosko Forestry Operations Ltd. SRO

tab J

This is Exhibit "J" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

Province
Ontario

Document General
Form 4 - Land Registration Reform Act

2

D

<p style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: small;">FOR OFFICE USE ONLY</p> <p style="font-size: 24pt; font-weight: bold; text-align: center;">283072</p> <p style="text-align: center;">1994 APR -6 A 11:00</p> <p style="text-align: center; font-weight: bold;">CERTIFICATE OF RECEIPT CERTIFICAT DE RECEPTION</p> <p style="text-align: center; font-size: 18pt; font-weight: bold;"><i>McGarry</i></p> <p style="text-align: center; font-size: 10pt;">G.A. PERRY LAND REGISTRAR REGISTRAR TIMISKAMING NO. 84 HAWLEYBURG</p>	(1) Registry <input type="checkbox"/> Land Titles <input checked="" type="checkbox"/>	(2) Page 1 of 11 pages
	(3) Property (description) Block Property	Additional Fee Schedule <input type="checkbox"/>
	(4) Nature of Document DEBENTURE	
	(5) Consideration TWO-----Oodas \$ 2.00	
(6) Description Parcel 233 CST Township of McGarry District of Timiskaming as described in Schedule "A" hereto.		
(7) This Document Contains	(A) Rescription New Easement Plan/Sketch <input type="checkbox"/>	(B) Schedule for: Description <input checked="" type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input checked="" type="checkbox"/>

(8) This Document provides as follows:

See schedule.

Pursuant to Section 93(9), Chapter L-5 of the Land Titles Act, United Steel Workers of America, Local 9283, is entitled to receive the monies payable thereunder and to give a discharge thereof.

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)
Name(s) **KERR, JEX CORPORATION**
(Chargee)

Signature(s) *[Signature]*
Date of Signature 1994 03 28

I/We have authority to bind the Corporation.

(11) Address for Service **P.O. Box 390, Virginiatown, Ontario, P0K 1X0**

(12) Party(ies) (Set out Status or Interest)
Name(s) **UNITED STEEL WORKERS OF AMERICA, LOCAL 9283**
(Chargee)

Signature(s) *[Signature]*
Date of Signature 1994 03 28
Doug MacPherson
Toronto

(13) Address for Service **4 Government Road West, Kirkland Lake, Ontario, P2N 3H7**

(14) Merged Address of Property Not Assigned	(15) Document Prepared by: Sack, Goldblatt, Mitchell 20 Dundas Street West Suite 1130 Toronto, Ontario <i>RDG</i> M5G 2G8	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2" style="font-size: small;">Fees and Tax</th> </tr> <tr> <td style="font-size: small;">Registration Fee</td> <td style="text-align: right; font-size: 18pt;">50.00</td> </tr> <tr> <td style="font-size: small;">Total</td> <td></td> </tr> </table>	Fees and Tax		Registration Fee	50.00	Total	
Fees and Tax								
Registration Fee	50.00							
Total								

SCHEDULE "A"

KERR PROPERTY

<u>Parcel</u>	<u>Claim</u>	<u>Township</u>	
233CST	H.S. 135	McGARRY	MINING RIGHTS ONLY
237CST	H.S. 133	McGARRY	MINING RIGHTS ONLY
3635NND	HJB32 HJB33	McGARRY	MINING RIGHTS ONLY
4822CST	L-35819	McGARRY	MINING RIGHTS ONLY
5357CST	FRACTION BETWEEN H.F. 37 (T-2018) LM3(T2178)	McGARRY	MINING RIGHTS ONLY
5394CST	L-25206	McGARRY	MINING RIGHTS ONLY
5395CST	L-25207	McGARRY	MINING RIGHTS ONLY
5401CST	PART L-27044	McGARRY	MINING RIGHTS ONLY
5479CST	L-30131	McGARRY	MINING RIGHTS ONLY
5480CST	L-30132	McGARRY	MINING RIGHTS ONLY
5601NND	HJB30	McGARRY	MINING RIGHTS ONLY
5602NND	HJB31	McGARRY	MINING RIGHTS ONLY
5603NND	HJB28	McGARRY	MINING RIGHTS ONLY
5614NND	H.F. 33	McGARRY	MINING RIGHTS ONLY
5617NND	HJB29	McGARRY	MINING RIGHTS ONLY
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6067CST	L-36321	McGARRY	MINING RIGHTS ONLY
6078CST	PART L-31160	McGARRY	MINING RIGHTS ONLY
6080CST	PART L-31162	McGARRY	MINING RIGHTS ONLY
6349NND	3LM	McGARRY	MINING RIGHTS ONLY
7530NND	H.F. 37	McGARRY	MINERAL RIGHTS ONLY
7655CST	L-8863	McGARRY	MINING RIGHTS ONLY
7831NND	H.S.164 H.S.165 H.S.166	McGARRY	MINING RIGHTS ONLY
12865CST	L5414	McGARRY	MINING RIGHTS ONLY

11/2/88

<u>Parcel</u>	<u>Claim</u>	<u>Township</u>	
12866CST	L8825	McGARRY	MINING RIGHTS ONLY
12867CST	L19884	McGARRY	MINING RIGHTS ONLY
12868CST	L5415	McGARRY	MINING RIGHTS ONLY
12869CST	L8823	McGARRY	MINING RIGHTS ONLY
12870CST	L8824	McGARRY	MINING RIGHTS ONLY
12871CST	L31550	McGARRY	MINING RIGHTS ONLY
12872CST	L31551	McGARRY	MINING RIGHTS ONLY
12873CST	L31552	McGARRY	MINING RIGHTS ONLY
12874CST	L25854	McGARRY	MINING RIGHTS ONLY
12875CST	L24371	McGARRY	MINING RIGHTS ONLY
12876CST	L24181	McGARRY	MINING RIGHTS ONLY
12877CST	L39754	McGARRY	MINING RIGHTS ONLY
12878CST	H.B. 180 (L891)	McGARRY	MINING RIGHTS ONLY
12878CST	L42040	McGARRY	MINING RIGHTS ONLY
12880CST	L42041	McGARRY	MINING RIGHTS ONLY
12881CST	H.F. 404, 405 & 408	McGARRY	MINING RIGHTS ONLY
12882CST	PART OF H.J.B. 1	McGARRY	MINING RIGHTS ONLY
12883CST	PART OF L5413	McGARRY	MINING RIGHTS ONLY
12884CST	L25205	McGARRY	MINING RIGHTS ONLY

DEBENTURE and GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made between:

KERR JEX CORPORATION
P.O. Box 390
Viriniatown, Ontario
P0K 1X0

(the "Debtor")

OF THE FIRST PART

- and -

**UNITED STEEL WORKERS OF AMERICA,
LOCAL 9283**
4 Government Road West
Kirkland Lake, Ontario
P2N 3H7

(the "Creditor")

OF THE SECOND PART

1. Consideration

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the Debtor enters into this security agreement with the Creditor.

2. Obligations Secured

The Security Interest (as hereinafter defined) is granted to the Creditor by the Debtor as continuing security for the payment of retirement or termination payments which GSR Mining Corporation may be required to make pursuant to the provisions of a Memorandum of Agreement executed by GSR Mining Corporation on the 29th day of November, 1989, or the sum of Three Million (\$3,000,000.00) Dollars, whichever is less (the "Obligations").

3. Creation of Security Interest

The Debtor hereby grants, mortgages, transfers, assigns and creates to and in favour of the Creditor a security interest in the following:

Property, Plant and Equipment

- (a) all lands and premises and all present and future equipment of the Debtor, including all machinery, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to the lands of the Debtor and or to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto ("Property, Plant and Equipment");

xcrc20c

Documents

- (b) all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating to the collateral subject to the Security Interest ("Documents");

Undertaking

- (c) all present and future personal property, business and undertaking of the Debtor not being Property, Plant and Equipment or Documents ("Undertaking"); and

Proceeds

- (d) all personal property in any form derived directly or indirectly from any dealing with collateral subject to the Security Interest or the proceeds therefrom, and including any payment representing indemnity or compensation for loss of or damage thereto or the proceeds therefrom ("Proceeds").

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The grants, mortgages, charges, transfers, assignments and security interests herein created are collectively called the "Security Interest".

4. Property Description

Without limiting the generality of the description of Collateral as set out in paragraph 3, for greater certainty the Collateral shall include all real property and present and future personal property of the Debtor located on or about or in transit to or from the properties of the Debtor located in and at the Township of McGary, District of Temiskaming and Province of Ontario conveyed by and held under registered instrument number 263265 and as therein more particularly described.

5. Attachment

The parties acknowledge that value has been given; the Debtor has rights in the Collateral, and the parties have not agreed to postpone the time for attachment of the Security Interest.

6. Dealings with Collateral

Until the occurrence of an Event of Default (as hereinafter defined), the Debtor may sell, assign, exchange, transfer, lease or otherwise dispose of or otherwise deal with the Collateral, whether in the ordinary course of the Company's business or otherwise, so that any such purchaser, assignee, transferee, lessee or other person, as applicable, takes title clear of the Security Interest.

-202-

7. Exception re Leasehold Interest and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the Security Interest, but the Debtor agrees to stand possessed of such last day in trust for any person acquiring such Interest of the Debtor. To the extent that the creation of the Security Interest would constitute a breach or cause the acceleration of any agreement, right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Creditor, and shall assign such agreement, right, license or permit to the Creditor forthwith upon obtaining the consent of the other party thereto.

8. Representations and Warranties

The Debtor hereby represents and warrants as follows to the Creditor and acknowledges that the Creditor is relying thereon (and each of such representations and warranties shall be deemed to be a condition):

- (a) the Debtor has the capacity and authority to create the Security Interest and generally perform its obligations under this agreement;
- (b) the execution and delivery of this agreement and the performance by the Debtor of its obligations hereunder have been duly authorized by all necessary proceedings;
- (c) the chief executive officer of the Debtor is located at the address of the Debtor set out on the first page of this agreement.

9. Covenants of Debtor

The Debtor covenants and agrees as follows:

Payment of Obligations

- (a) to pay or satisfy all Obligations when due;

Disposition of Collateral

- (b) not to sell, exchange, transfer, assign, lease or otherwise dispose of or deal in any way with the Collateral or any interest therein, or enter into any agreement or undertaking to do so; except as may be permitted in this agreement;

Notice to Creditor

- (c) to promptly notify the Creditor of any material change in the Debtor's name or, any other material change in any information provided in this agreement or any actual or potential material claim affecting the Debtor, the Collateral or the Security Interest;

Business Activities

- (d) to preserve its rights, powers, licenses, privileges, franchises and goodwill, comply with all applicable laws, rules and regulations, and generally conduct

~~xxxx~~

its business in a proper and efficient manner so as to protect the Collateral, the Security Interest and the business and undertaking of the Debtor;

Corporate Existence

- (e) to maintain its existence;

Taxes and Charges

- (f) to promptly pay all taxes, assessments, rates, levies, payroll deductions, workers compensation assessments, and any other charges which could result in the creation of a statutory lien or deemed trust in respect of the Collateral;

Further Assurances

- (g) to do, make, execute and deliver such further and other assignments, transfers, deeds, security agreements and other documents as may be required by the Creditor to establish in favour of the Creditor the Security Interest intended to be created hereby and to accomplish the intention of this agreement;

Payment of Expenses

- (h) to pay all expenses, including solicitors' and receivers' fees and disbursements, incurred by the Creditor or its agents (including any Receiver, as hereinafter defined) in connection with the preparation, preservation, and enforcement of this agreement; including all expenses incurred by the Creditor or such agents in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest; all of which expenses shall be payable forthwith upon demand and shall form part of the Obligations.

10. **Covenants of Creditor**

The Creditor covenants and agrees as follows:

Postponement

- (a) to execute and deliver within seven (7) business days after notice of a request therefor from the Debtor, all reasonable evidences in writing required by the Debtor for the postponement of the Creditor's Security Interest in the Collateral in favour of any person advancing secured debt financing to the Debtor whether for working capital or for plant and equipment purchases, of a sum not less than Five Hundred Thousand (\$500,000.00) Dollars;

Partial Discharge

- (b) to execute and deliver a Release and Discharge of its Security Interest to the extent of the sum that exceeds the Obligations, upon receipt of a certificate of the Auditor of the Debtor certifying the balance of the Obligations then outstanding, as determined in accordance with accounting principles and actuarial assumptions generally accepted in Canada.

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Discharge

- (c) to execute and deliver a Release and Discharge of its Security Interest upon receipt of a certificate of the Auditor of the Debtor certifying that the Debtor and/or GSR Mining Corporation has made irrevocable provision to fund not less than ninety-five (95%) per centum of the Obligations as determined in accordance with accounting principles and actuarial assumptions generally accepted in Canada.

11. Events of Default

The Debtor shall be in default under this agreement upon the occurrence of any one or more of the following events (an "Event of Default"):

- (a) the Debtor fails to satisfy or perform any of the Obligations when due;
- (b) any representation or warranty made by the Debtor herein is or becomes incorrect or untrue, or the Debtor breaches or fails to comply with any material terms of this agreement;
- (c) the Debtor becomes insolvent or bankrupt or makes a proposal under the Bankruptcy Act (Canada); a petition in bankruptcy is filed against the Debtor and the same is not diligently and in good faith being contested by the Debtor; the Debtor makes an assignment for the benefit of creditors; a trustee or receiver or manager is appointed in respect of the Debtor or substantially all its assets; or for the dissolution, liquidation, or winding-up of the affairs of the Debtor;
- (d) the Debtor ceases to carry on business; or
- (e) an execution or any similar process of any court becomes enforceable against the Debtor, which may materially affect the financial affairs and operations of the Debtor taken as a whole, or a distress or any similar process is levied upon any property of the Debtor, provided that the same is not diligently and in good faith being contested by the Debtor.

12. Acceleration Upon Default; Obligation to Advance

Upon the occurrence of an Event of Default, the Obligations shall be immediately due and payable if the default has not been cured or remedied within twenty-one (21) days of the Event of Default.

13. Remedies Upon Default

Upon the occurrence of an Event of Default, the Security Interest shall immediately become enforceable, and the Creditor shall have the following remedies in addition to any other remedies available at law or equity or contained in any other agreement between the Debtor and the Creditor, all of which remedies shall be independent and cumulative:

- (a) entry of any premises where Collateral may be located;
- (b) possession of Collateral by any method permitted by law;

~~SECRET~~

- (c) the sale or lease of Collateral;
- (d) the collection of any rents, income and profits received in connection with the Collateral;
- (e) the appointment by instrument in writing of a receiver, or a receiver and manager (each of which is herein called a "Receiver") of the Collateral;
- (f) proceedings in any court of competent jurisdiction for the appointment of a receiver or a receiver and manager or for the sale of the Collateral; and
- (g) the filing of proofs of claim and other documents in order to have the claims of the Creditor lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor.

14. Powers of Receiver

Any Receiver appointed by the Creditor may be any person or persons, and the Creditor may remove any Receiver so appointed and appoint another or others instead. Any Receiver appointed shall act as agent for the Creditor for the purposes of taking possession of the Collateral, and (except as provided below) as agent for the Debtor for all purposes, including without limitation the occupation of any premises of the Debtor. For the purposes of realizing upon the Security Interest, the Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Creditor as it may determine in its discretion. Any Receiver so appointed shall have the following powers:

- (a) to enter upon, use and occupy all premises owned or occupied by the Debtor;
- (b) to take possession of the Collateral;
- (c) to borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and in the discretion of such Receiver, to charge and grant further security interests in the collateral in priority to the Security Interest, as security for the money so borrowed;
- (d) to sell, lease, or otherwise dispose of the Collateral or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its discretion;
- (e) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the Accounts or any other obligation of any third party to the Debtor; and
- (f) to exercise any rights or remedies which could have been exercised by the Creditor against the Debtor or the Collateral.

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15. Failure of Creditor to Exercise Remedies

The Creditor shall not be liable for any delay or failure to enforce any remedies available to it or to institute any proceedings for such purposes.

16. Application of Payments

The payments made in respect of the Obligations and all monies received by the Creditor or any receiver appointed by the Creditor in respect of the enforcement of the Security Interest (including the receipt of any money) shall be held as security for the Obligations. The Debtor shall remain liable to the Creditor for any deficiency; and any surplus funds realized after the satisfaction of all Obligations shall be paid in accordance with applicable law.

17. Dealings by Creditor

The Creditor may grant extensions of time and other indulgences, take and give up securities, accept compromises, grant releases and discharges, and otherwise deal with the Collateral, the Debtor, debtors of the Debtor, sureties of the Debtor, and others as the Creditor may see fit, without prejudice to the Obligations and rights of the Creditor to hold and realize upon the Security Interest. The Creditor has no obligation to keep Collateral identifiable, or to preserve rights against prior secured creditors in respect of any Collateral.

18. Notice

Without prejudice to any other method of giving notice, any notice required or permitted to be given hereunder to any party shall be conclusively deemed to have been received by such party on the date following the sending thereof by prepaid private courier to such party at its address noted on the first page of this agreement.

19. Separate Security

This agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Creditor in respect of the Debtor, the Obligations or the Collateral.

20. Creditor Not Obligated to Advance

Nothing in this agreement shall obligate the Creditor to make any loan or accommodation to the Debtor, or extend the time for payment or satisfaction of any Obligations.

21. Severability

If any provision of this agreement shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

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22. Time of Essence

Time shall be of the essence of this agreement.

23. Grammatical Changes

This agreement is to be read as if all changes in grammar, number and gender rendered necessary by the context had been made, specifically including a reference to a person as a corporation and vice-versa.

24. Governing Law; Attornment

This agreement shall be interpreted in accordance with the laws of the Province of Ontario, and without prejudice to the ability of the Creditor to enforce this agreement in any other proper jurisdiction, the Debtor hereby irrevocably submits and attorns to the jurisdiction of the courts of the Province of Ontario.

25. Successors and Assigns

This agreement is binding upon the parties hereto, and their respective heirs, executors, administrators, legal personal representatives, successors and permitted assigns; "successors" includes any corporation resulting from the amalgamation of any corporation with another corporation.

26. Copy of Agreement

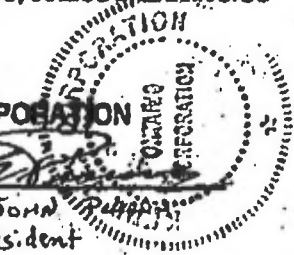
The parties each acknowledge receipt of an executed copy of this agreement.

IN WITNESS WHEREOF this agreement has been executed, sealed and delivered by the parties this 28th day of March, 1994.

28th
[Signature]

KERR JEX CORPORATION

Per: *[Signature]*
 Name: John Puffin
 Title: President



I have authority to bind the Corporation

UNITED STEEL WORKERS OF AMERICA, LOCAL 9283

Per: *[Signature]*
 Name: Doug MacPherson
 Title: Trustee

tab K

This is Exhibit "K" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

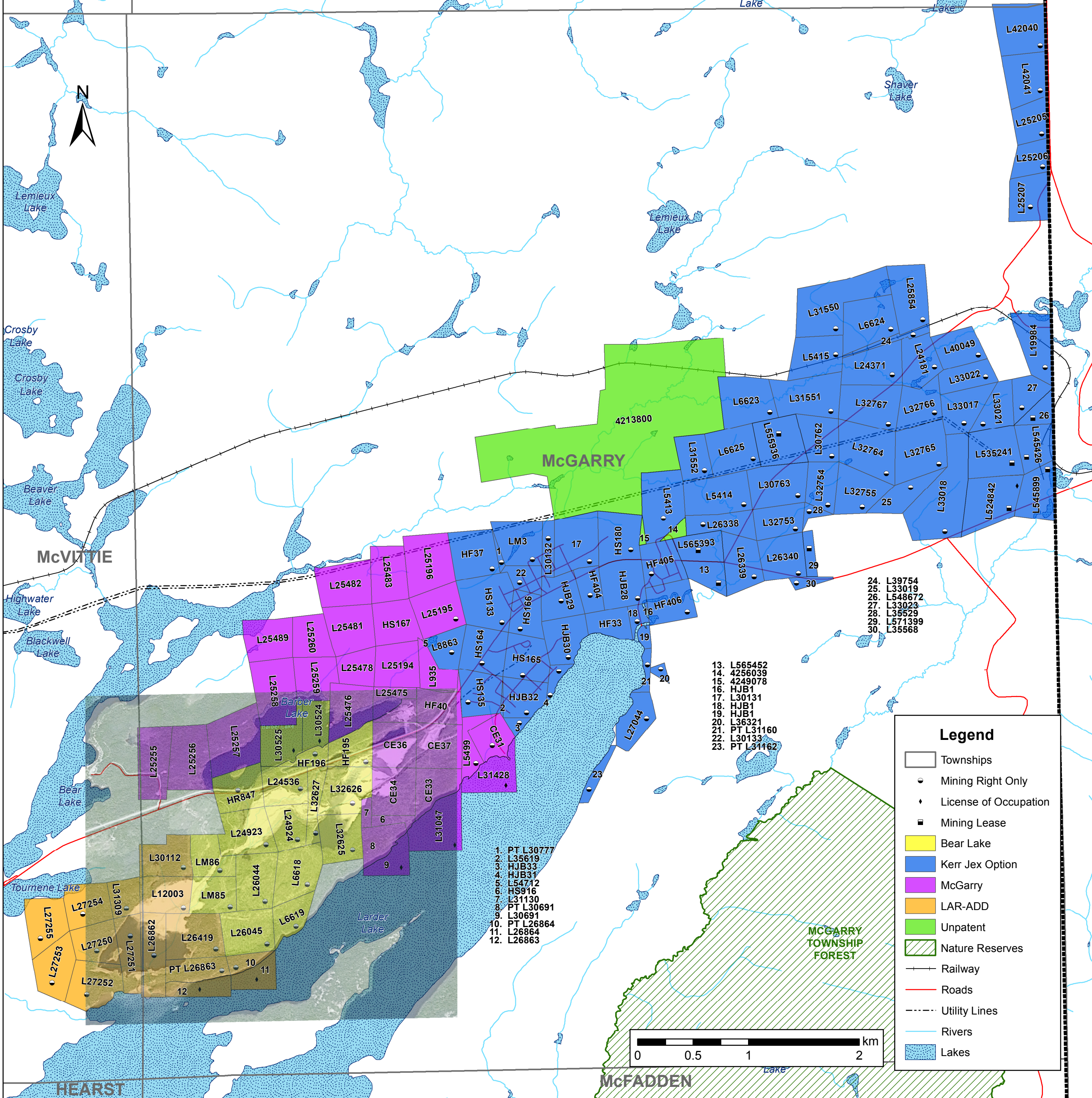
Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

KATRINE

OSSIAN



McGARRY

McVITTIE

MCGARRY TOWNSHIP FOREST

McFADDEN

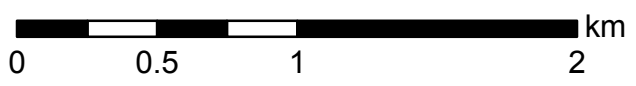
- 24. L39754
- 25. L33019
- 26. L548672
- 27. L33023
- 28. L35529
- 29. L571399
- 30. L35568

- 13. L565452
- 14. 4256039
- 15. 4249078
- 16. HJB1
- 17. L30131
- 18. HJB1
- 19. HJB1
- 20. L36321
- 21. PT L31160
- 22. L30133
- 23. PT L31462

- 1. PT L30777
- 2. L35619
- 3. HJB33
- 4. HJB31
- 5. L54712
- 6. HS916
- 7. L31130
- 8. PT L30691
- 9. L30691
- 10. PT L26864
- 11. L26864
- 12. L26863

Legend

- Townships
- Mining Right Only
- License of Occupation
- Mining Lease
- Bear Lake
- Kerr Jex Option
- McGarry
- LAR-ADD
- Unpatent
- Nature Reserves
- Railway
- Roads
- Utility Lines
- Rivers
- Lakes



tab L

This is Exhibit "L" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

PROPERTY DESCRIPTION: PCL 5557 SEC LTIM; MINING CLAIM L565393 MCGARRY MRO; MINING CLAIM L565452 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 1 & 2 54R2864; T/W TC7145; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS:

ESTATE/QUALIFIER:
LEASEHOLD
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
GOLD CANDLE LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
54R2864	1986/02/14	PLAN REFERENCE				C
TC7145	1988/03/10	CROWN LEASE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTRY OF NATURAL RESOURCES	KENNECOTT CANADA INC	C
REMARKS: AMENDED UNDER LT276125; DOCUMENT TYPE CHANGED FROM NOTICE OF LEASE TO CROWN LEASE 2009/06/19 BY COLLEEN MENTE; MINING ACT						
DT19568	2009/06/19	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTRY OF NATURAL RESOURCES	KERR JEX CORPORATION	C
REMARKS: RENEWAL MINING LEASE REG'D AS TC7145 REG'D 1988/03/10						
DT49749	2015/04/22	TRANSFER	\$2	KERR JEX CORPORATION	GOLD CANDLE LTD.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PCL 5557 SEC LTIM; MINING CLAIM L571399 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 3 54R2864; T/W TC7145; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS:

ESTATE/QUALIFIER:
LEASEHOLD
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
GOLD CANDLE LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
54R2864	1986/02/14	PLAN REFERENCE				C
TC7145	1988/03/10	CROWN LEASE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTRY OF NATURAL RESOURCES	KENNECOTT CANADA INC	C
REMARKS: AMENDED UNDER LT276125; DOCUMENT TYPE CHANGED FROM NOTICE OF LEASE TO CROWN LEASE 2009/06/19 BY COLLEEN MENTE; MINING ACT						
DT19568	2009/06/19	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTRY OF NATURAL RESOURCES	KERR JEX CORPORATION	C
REMARKS: RENEWAL MINING LEASE REG'D AS TC7145 REG'D 1988/03/10						
DT49749	2015/04/22	TRANSFER	\$2	KERR JEX CORPORATION	GOLD CANDLE LTD.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PCL 5557 SEC LTIM; MINING CLAIM L555936 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 4 54R2864; T/W TC7145; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CORRECTION: DOCUMENT TC7145 ADDED TO 61224-1141 ON 2009/06/19 AT 09:56 BY MENTE, COLLEEN.

ESTATE/QUALIFIER:
LEASEHOLD
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
GOLD CANDLE LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
54R2864	1986/02/14	PLAN REFERENCE				C
TC7145	1988/03/10	CROWN LEASE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTRY OF NATURAL RESOURCES	KENNECOTT CANADA INC	C
REMARKS: AMENDED UNDER LT276125; DOCUMENT TYPE CHANGED FROM NOTICE OF LEASE TO CROWN LEASE 2009/06/19 BY COLLEEN MENTE; MINING ACT						
DT19568	2009/06/19	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTRY OF NATURAL RESOURCES	KERR JEX CORPORATION	C
REMARKS: RENEWAL MINING LEASE REG'D AS TC7145 REG'D 1988/03/10						
DT49749	2015/04/22	TRANSFER	\$2	KERR JEX CORPORATION	GOLD CANDLE LTD.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PCL 5566 SEC LTIM; MINING CLAIM L524842 MCGARRY; MINING CLAIM L535241 MCGARRY; MINING CLAIM L545426 MCGARRY; MINING CLAIM L545899 MCGARRY; MINING CLAIM L548672 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 1 TO 5 54R2863; T/W TC7159; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CORRECTION: DOCUMENT TC4090 REMOVED FROM 61224-1144 ON 2010/10/19 AT 13:49 BY MENTE, COLLEEN.

ESTATE/QUALIFIER:
LEASEHOLD
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
GOLD CANDLE LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
54R2863	1986/02/14	PLAN REFERENCE				C
TC7159	1988/04/28	CROWN LEASE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTRY OF NATURAL RESOURCES	KENNCO EXPLORATIONS (CANADA) LIMITED	C
		REMARKS: AMENDED UNDER LT276125 DOC		TYPE CHANGED FROM NOTICE OF LEASE TO CROWN LEASE 2009/06/18 COLLEEN MENTE MINING ACT		
DT19561	2009/06/18	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTRY OF NATURAL RESOURCES	KERR JEX CORPORATION	C
		REMARKS: RENEWAL MINING LEASE REG'D AS TC7159 1988/04/28				
DT49749	2015/04/22	TRANSFER	\$2	KERR JEX CORPORATION	GOLD CANDLE LTD.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

tab M

This is Exhibit "M" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

PROPERTY DESCRIPTION: PCL 7628 SEC CST; PT MINING CLAIM L31162 MCGARRY SRO NOT COVERED BY THE WATERS OF THE NE ARM OF LARDER LAKE RESERVING THE SRO ON AND OVER A STRIP OF LAND ONE CHAIN IN PERPENDICULAR WIDTH ALONG THE NE ARM OF LARDER LAKE; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE TP10446.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
		REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.				
LT263268	1990/04/23	APL (GENERAL)				C
		REMARKS: VESTING				
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
		REMARKS: LT294280				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PCL 7623 SEC CST; PT MINING CLAIM L27044 MCGARRY SRO NOT COVERED BY THE WATERS OF LARDER LAKE RESERVING THE SRO ON AND OVER A STRIP OF LAND ONE CHAIN IN PERPENDICULAR WIDTH ALONG THE SHORE OF LARDER LAKE; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE TP10233.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
	REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.					
LT263268	1990/04/23	APL (GENERAL)				C
	REMARKS: VESTING					
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
	REMARKS: LT294280					

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PCL 7627 SEC CST; PT MINING CLAIM L31160 MCGARRY SRO NOT COVERED BY THE WATERS OF THE NE ARM OF LARDER LAKE RESERVING THE SRO ON AND OVER A STRIP OF LAND ONE CHAIN IN PERPENDICULAR WIDTH ALONG THE SHORE OF THE NE ARM OF LARDER LAKE; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE TP10445.

ESTATE/QUALIFIER: FEE SIMPLE ABSOLUTE
RECENTLY: FIRST CONVERSION FROM BOOK

PIN CREATION DATE: 2005/07/25

OWNERS' NAMES: DEAK RESOURCES CORPORATION
GSR MINING CORPORATION
CAPACITY SHARE: TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
		REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.				
LT263268	1990/04/23	APL (GENERAL)				C
		REMARKS: VESTING				
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
		REMARKS: LT294280				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PCL 7629 SEC CST; MINING CLAIM L36321 MCGARRY SRO; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE TP10429.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
		REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.				
LT263268	1990/04/23	APL (GENERAL)				C
		REMARKS: VESTING				
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
		REMARKS: LT294280				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PCL 8654 SEC CST; MINING CLAIM HF405 MCGARRY; MINING CLAIM HF406 MCGARRY SRO SITUATE N OF THE NE ARM OF LARDER LAKE EXCEPT LT103581, PL M125T1M; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE NP5315.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
		REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.				
LT263268	1990/04/23	APL (GENERAL)				C
		REMARKS: VESTING				
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
		REMARKS: LT294280				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PCL 8655 SEC CST; MINING CLAIM L5413 MCGARRY EXCEPT LT108186, MRO AS IN LT263267; S/T LT44436 TRANSFERRED BY LT82309; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE TP3059.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT44436	1927/04/27	TRANSFER EASEMENT REMARKS: AMENDED UNDER LT48415	\$100		NORTHERN ONTARIO POWER COMPANY, LIMITED	C
LT82309	1945/03/27	NOTICE				C
LT263265	1990/04/23	ORDER REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
LT263268	1990/04/23	APL (GENERAL) REMARKS: VESTING				C
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN REMARKS: LT294280				C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PCL 9470 SEC CST; MINING CLAIM HF404 MCGARRY EXCEPT MRO AS IN LT263267, SRO AS IN LT91755 AMENDED BY LT128488, LT128737; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE NP5315.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
		REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.				
LT263268	1990/04/23	APL (GENERAL)				C
		REMARKS: VESTING				
LT275780	1992/09/29	NO SEC INTEREST				C
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
		REMARKS: LT294280				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PCL 850 SEC NND; MINING CLAIM HJB1 MCGARRY SITUATE N OF REDDICKS BAY, LARDER LAKE EXCEPTING THE LAND COVERED WITH THE WATER OF BEAR CREEK EXCEPT MRO AS IN LT263267; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE NNDP413.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
54R2965	1987/02/04	PLAN REFERENCE				C
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.						
LT263268	1990/04/23	APL (GENERAL)				C
REMARKS: VESTING						
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
REMARKS: LT294280						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
 REGISTRY
 OFFICE #54

61224-0536 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PCL 7617 SEC CST; MINING CLAIM HF33 MCGARRY SRO SITUATE ON REDDICKS BAY OF LARDER LAKE EXCEPTING FROM WITHIN THE LIMITS OF SAID CLAIM THE SURFACE RIGHTS ON AND OVER A STRIP OF LAND ONE CHAIN IN PERPENDICULAR WIDTH ALONG THE SHORE OF THE SAID LAKE FOR USE AS A RDAL; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE NP4222.

ESTATE/QUALIFIER: FEE SIMPLE ABSOLUTE
RECENTLY: FIRST CONVERSION FROM BOOK

PIN CREATION DATE: 2005/07/25

OWNERS' NAMES: DEAK RESOURCES CORPORATION
 GSR MINING CORPORATION
CAPACITY SHARE: TCOM 50%
 TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
54R2965	1987/02/04	PLAN REFERENCE				C
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.						
LT263268	1990/04/23	APL (GENERAL)				C
REMARKS: VESTING						
LT275780	1992/09/29	NO SEC INTEREST				C
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
REMARKS: LT294280						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
 NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
 REGISTRY
 OFFICE #54

61224-0786 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PCL 6417 SEC CST; PT MINING CLAIM HJB33 MCGARRY SRO; PT MINING CLAIM HS135 MCGARRY SRO; PT MINING CLAIM HJB32 MCGARRY SRO AS IN LT77892 EXCEPT LT87811, LT87812, LT91282, LT94817, LT96540, LT96541, LT96719, LT116588, LT128267, PT 1 TER721, T/W LT98962; S/T LT104061; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE NP4757, TP2781. EXPROPRIATION AUTHORITY IS THE REGISTERED OWNER OF A TEMPORARY LIMITED INTEREST UNTIL DEC 31 2020.

ESTATE/QUALIFIER:
 FEE SIMPLE
 ABSOLUTE

RECENTLY:
 FIRST CONVERSION FROM BOOK

FIN CREATION DATE:
 2005/07/25

OWNERS' NAMES
 DEAK RESOURCES CORPORATION
 GSR MINING CORPORATION

CAPACITY SHARE
 TCOM 50%
 TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT97255	1950/05/03	NOTICE OF LEASE			THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO	C
LT104061	1952/09/25	TRANSFER EASEMENT			THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO	C
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
		REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.				
LT263268	1990/04/23	APL (GENERAL)				C
		REMARKS: VESTING				
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
		REMARKS: LT294280				
DT20853	2009/09/10	LR'S ORDER		LAND REGISTRAR, LRO NO. 54		C
		REMARKS: CHANGE DESCRIPTION FROM "...EXCEPT LT87871..." TO "...EXCEPT LT87811..."				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
 NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
54R5783	2014/07/31	PLAN REFERENCE				C
DT49288	2015/03/16	CERTIFICATE	\$70	HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF TRANSPORTATION		C
		<i>REMARKS: EXPROPRIATIONS ACT</i>				
DT49289	2015/03/16	PLAN EXPROPRIATION	\$70		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF TRANSPORTATION	C
		<i>REMARKS: PIN 61224 0786 LIMITED INTEREST UNTIL DEC. 31 2020 1</i>				
DT49531	2015/04/02	LR'S ORDER		LAND REGISTRAR HAILEYBURY REGISTRY OFFICE		C
		<i>REMARKS: UPDATE OWNERSHIP FIELD/PROP. REMARKS</i>				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: SURFACE RIGHTS ONLY MINING CLAIM L8863 MCGARRY (FORMERLY HS134) AS IN LT95989 EXCEPT PT 2 DT49289; MCGARRY; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE TP2778.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 61224-0168

PIN CREATION DATE:
2015/03/19

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
	REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.					
LT263268	1990/04/23	APL (GENERAL)				C
	REMARKS: VESTING					
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
	REMARKS: LT294280					
54R5715	2013/10/18	PLAN REFERENCE				C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: SURFACE RIGHTS ONLY: MINING CLAIM L30131 MCGARRY EXCEPT PL M168TIM, PL M282TIM PTS 1, 2, 3, 4, 5, 6 DT49292 RESERVING THE SURFACE RIGHTS ONLY ON AND OVER THE ROW OF THE GOVERNMENT HWY PASSING THROUGH THE SAID CLAIM; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE TP10385.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 61224-0515

PIN CREATION DATE:
2015/03/19

OWNERS' NAMES
HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS
REPRESENTED BY THE MINISTER OF TRANSPORTATION

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
NOTE: THIS PROPERTY WAS RETIRED ON 2015/09/23. THIS PROPERTY IS NOW DIVIDED INTO THE FOLLOWING PROPERTIES: 61224-1355 TO 61224-1356						
54R3333	1989/02/01	PLAN REFERENCE				C
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.						
LT263268	1990/04/23	APL (GENERAL)				C
REMARKS: VESTING						
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
REMARKS: LT294280						
54R5717	2013/10/18	PLAN REFERENCE				C
54R5744	2014/03/18	PLAN REFERENCE				C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
DT49390	2015/03/24	LR'S ORDER REMARKS: CORRECT TYP0 IN PLAN NO. IN T/N		LAND REGISTRAR, HALLEYBURY LAND REGISTRY OFFICE		C
54R5835	2015/03/26	PLAN REFERENCE				C
DT51788	2015/09/17	CERTIFICATE REMARKS: EXPROPRIATIONS ACT		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF TRANSPORTATION		C
DT51789	2015/09/17	PLAN EXPROPRIATION REMARKS: 1	\$70		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF TRANSPORTATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #54

61224-1324 (LT)

PAGE 1 OF 1
PREPARED FOR OSamsonova
ON 2016/03/24 AT 09:08:28

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: SURFACE RIGHTS ONLY: MINING CLAIM HJB28 MCGARRY SITUATE ABOUT A QUARTER OF A MILE N OF REDDICKS BAY OF LARDER LAKE EXCEPT LT91775, LT128737 PTS 7 & 8 DT49292; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE NP4213.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 61224-0506

PIN CREATION DATE:
2015/03/19

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
54R2965	1987/02/04	PLAN REFERENCE				C
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
		REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.				
LT263268	1990/04/23	APL (GENERAL)				C
		REMARKS: VESTING				
LT275780	1992/09/29	NO SEC INTEREST				C
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
		REMARKS: LT294280				
54R5717	2013/10/18	PLAN REFERENCE				C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: SURFACE RIGHTS ONLY: MINING CLAIM HS180 MCGARRY (L891) SITUATE ABOUT HALF A MILE N OF THE NE ARM OF LARDER LAKE EXCEPT LT90719, LT91775, LT104442, LT104903, PT 1 54R2252, LT128737, PTS 9, 10, 11, 12 DT49292 MCGARRY; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CORRECTION: DOCUMENT DT49288 ADDED TO 61224-1326 ON 2015/04/02 AT 11:04 BY CAREY, COLLEEN. CORRECTION: DOCUMENT DT49292 ADDED TO 61224-1326 ON 2015/04/02 AT 11:04 BY CAREY, COLLEEN. CROWN GRANT SEE NNDP185. EXPROPRIATION AUTHORITY IS THE REGISTERED OWNER OF A TEMPORARY LIMITED INTEREST UNTIL DEC 31 2020.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 61224-0510

PIN CREATION DATE:
2015/03/19

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
54R2233	1980/01/24	PLAN REFERENCE				C
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.						
LT263268	1990/04/23	APL (GENERAL)				C
REMARKS: VESTING						
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
REMARKS: LT294280						
54R5717	2013/10/18	PLAN REFERENCE				C
54R5784	2014/08/01	PLAN REFERENCE				C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
DT49288	2015/03/16	CERTIFICATE	\$70	HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF TRANSPORTATION		C
		REMARKS: EXPROPRIATIONS ACT				
DT49292	2015/03/16	PLAN EXPROPRIATION			HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF TRANSPORTATION	C
DT49533	2015/04/02	LR'S ORDER		LAND REGISTRAR, LAND REGISTRY OFFICE HAILEYBURY		C
		REMARKS: ADD DT49288 & DT49292; ADD PROP. REMARK				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: SURFACE RIGHTS ONLY: MINING CLAIM H5133 MCGARRY EXCEPT LT90719, PL M168TIM; PTS 1, 2, 3 DT49291; S/T LT96461; MCGARRY; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE TP2785.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 61224-0521

PIN CREATION DATE:
2015/03/20

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT96461	1950/01/19	TRANSFER EASEMENT REMARKS: SKETCH ATTACHED.			THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO	C
LT263265	1990/04/23	ORDER REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
LT263268	1990/04/23	APL (GENERAL) REMARKS: VESTING				C
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN REMARKS: LT294280				C
54R5716	2013/10/18	PLAN REFERENCE				C
54R5744	2014/03/18	PLAN REFERENCE				C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: SURFACE RIGHTS ONLY: MINING CLAIM HF37 MCGARRY SITUATE ONE MILE N OF THE NE ARM OF LARDER LAKE; EXCEPT PT 4 DT49291; S/T LT96461; MCGARRY ; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE NP5251.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 61224-0151

PIN CREATION DATE:
2015/03/20

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT96461	1950/01/19	TRANSFER EASEMENT REMARKS: SKETCH ATTACHED.			THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO	C
LT263265	1990/04/23	ORDER REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
LT263268	1990/04/23	APL (GENERAL) REMARKS: VESTING				C
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN REMARKS: LT294280				C
54R5716	2013/10/18	PLAN REFERENCE				C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: SURFACE RIGHTS ONLY: MINING CLAIM L30133 MCGARRY EXCEPT PL M168TIM, PTS 6, 7, 8 DT49291; MCGARRY; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE TP10387.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 61224-0523

PIN CREATION DATE:
2015/03/20

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
		REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.				
LT263268	1990/04/23	APL (GENERAL)				C
		REMARKS: VESTING				
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
		REMARKS: LT294280				
54R5716	2013/10/18	PLAN REFERENCE				C
54R5744	2014/03/18	PLAN REFERENCE				C

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: SURFACE RIGHTS ONLY: MINING CLAIM 3LM MCGARRY N OF NE ARM OF LARDER LAKE EXCEPT PL M168TIM, PTS 9, 10 11, 12 DT49291; S/T LT44534; MCGARRY; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE NP4714.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 61224-0517

PIN CREATION DATE:
2015/03/20

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT44534	1927/05/11	TRANSFER EASEMENT <i>REMARKS: AMENDED UNDER LT48415</i>			NORTHERN ONTARIO POWER COMPANY LIMITED	C
54R3333	1989/02/01	PLAN REFERENCE				C
LT263265	1990/04/23	ORDER <i>REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.</i>		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
LT263268	1990/04/23	APL (GENERAL) <i>REMARKS: VESTING</i>				C
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN <i>REMARKS: LT294280</i>				C
54R5716	2013/10/18	PLAN REFERENCE				C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
54R5744	2014/03/18	PLAN REFERENCE				C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: SURFACE RIGHTS ONLY: MINING CLAIM L30132 MCGARRY EXCEPT PL M168TIM, PTS 13 & 14 DT49291; MCGARRY; DISTRICT OF TIMISKAMING

PROPERTY REMARKS: CROWN GRANT SEE TP10386.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 61224-0514

PIN CREATION DATE:
2015/03/20

OWNERS' NAMES
DEAK RESOURCES CORPORATION
GSR MINING CORPORATION

CAPACITY SHARE
TCOM 50%
TCOM 50%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
54R3333	1989/02/01	PLAN REFERENCE				C
LT263265	1990/04/23	ORDER		SUPREME COURT OF ONTARIO IN BANKRUPTCY	DEAK RESOURCES CORPORATION GSR MINING CORPORATION	C
		REMARKS: VESTING CORRECTIONS: 'PARTY: SUPREME COURT OF ONTARIO IN BANKRUPTCY' ADDED ON 2006/06/16 BY GLEN ALLAN PERRY.				
LT263268	1990/04/23	APL (GENERAL)				C
		REMARKS: VESTING				
LT275798	1992/09/29	CHARGE	\$1,363,963		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT275869	1992/10/01	CHARGE	\$225,000		DEAK INTERNATIONAL RESOURCES HOLDINGS LTD.	C
LT276952	1992/12/15	DEBENTURE	\$623,000		BRADLEY BROS. LIMITED	C
LT283071	1994/04/06	DEBENTURE	\$2		UNITED STEEL WORKERS OF AMERICA, LOCAL 9283	C
LT294280	1996/09/25	CONSTRUCTION LIEN				C
LT294975	1996/11/12	CERT A CONST LIEN				C
		REMARKS: LT294280				
54R5716	2013/10/18	PLAN REFERENCE				C
54R5744	2014/03/18	PLAN REFERENCE				C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

tab N

This is Exhibit "N" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017



Document General
Form 4 — Land Registration Reform Act

ONE A DURHAM CO. LIMITED
Form No. 995

D
Amended 07/1992

<p style="font-size: 24pt; text-align: center;">276952</p> <p style="text-align: center;">1992 DEC 15 A 10 22</p> <p style="text-align: center;">CERTIFICATE OF RECEIPT CERTIFICAT DE RÉCÉPISSE</p> <div style="text-align: center;"> F.C. WICKETT LAND REGISTRAR REGISTRATEUR TIMISKAMING NO. 64 HAILEYBURY </div> <p style="font-size: 8pt;">New Property Identifiers Additional: See Schedule <input type="checkbox"/></p> <p style="font-size: 8pt;">Prescriptions Additional: See Schedule <input type="checkbox"/></p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%;">(1) Registry <input type="checkbox"/></td> <td style="width:33%;">Land Titles <input checked="" type="checkbox"/></td> <td style="width:34%;">(2) Page 1 of 35 pages A.</td> </tr> <tr> <td colspan="2">(3) Property Identifier(s) Block Property</td> <td style="text-align: right;">Additional: See Schedule <input type="checkbox"/></td> </tr> <tr> <td colspan="3">(4) Nature of Document DEBENTURE Section 93 (9)</td> </tr> <tr> <td colspan="3">(5) Consideration SIX HUNDRED AND TWENTY-THREE DOLLARS \$ 623,000.00</td> </tr> <tr> <td colspan="3">(6) Description Parcel 850 NND, being SR of part of Mining Claim H.J.B. 1, Township of McGarry, Municipality of McGarry; Continued on see Schedule "A" on pages 29, 30, 31, 32, 33</td> </tr> <tr> <td style="width:33%;">(7) This Document Contains: <input type="checkbox"/></td> <td style="width:33%;">(a) Redescription New Easement Plan/Sketch <input type="checkbox"/></td> <td style="width:34%;">(b) Schedule for: Description <input checked="" type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input checked="" type="checkbox"/></td> </tr> </table>	(1) Registry <input type="checkbox"/>	Land Titles <input checked="" type="checkbox"/>	(2) Page 1 of 35 pages A.	(3) Property Identifier(s) Block Property		Additional: See Schedule <input type="checkbox"/>	(4) Nature of Document DEBENTURE Section 93 (9)			(5) Consideration SIX HUNDRED AND TWENTY-THREE DOLLARS \$ 623,000.00			(6) Description Parcel 850 NND, being SR of part of Mining Claim H.J.B. 1, Township of McGarry, Municipality of McGarry; Continued on see Schedule "A" on pages 29, 30, 31, 32, 33			(7) This Document Contains: <input type="checkbox"/>	(a) Redescription New Easement Plan/Sketch <input type="checkbox"/>	(b) Schedule for: Description <input checked="" type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input checked="" type="checkbox"/>
(1) Registry <input type="checkbox"/>	Land Titles <input checked="" type="checkbox"/>	(2) Page 1 of 35 pages A.																	
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(7) This Document Contains: <input type="checkbox"/>	(a) Redescription New Easement Plan/Sketch <input type="checkbox"/>	(b) Schedule for: Description <input checked="" type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input checked="" type="checkbox"/>																	

(8) This Document provides as follows:

SEE SCHEDULE

Pursuant to Section 93 (9) of the Land Titles Act, BRADLEY BROS. LIMITED is entitled to receive the money and give a discharge.

Continued on Schedule

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest) Name(s)	Signature(s)	Date of Signature Y M D
DEAK RESOURCES CORPORATION (Chargor) (owner of 50% share)		

(11) Address for Service: Suite 501, 155 University Avenue, Toronto, Ontario M5H 3J7

(12) Party(ies) (Set out Status or Interest) Name(s)	Signature(s)	Date of Signature Y M D
BRADLEY BROS. LIMITED. (Chargee) by its Solicitors HOLDEN DAY WILSON	pers. Catherine M. Ballantyne	1992 12 10

(13) Address for Service: Highway 101, Timmins, Ontario P4N 7E7

(14) Municipal Address of Property not assigned	(15) Document Prepared by: Catherine M. Ballantyne Holden Day Wilson P.O. Box 52 Toronto-Dominion Centre Toronto, Ontario M5K 1E7	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">Fees and Tax</th> </tr> <tr> <td style="width:50%;">Registration Fee</td> <td style="text-align: right;">27.00</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td>Total</td> <td> </td> </tr> </table>	Fees and Tax		Registration Fee	27.00			Total	
Fees and Tax										
Registration Fee	27.00									
Total										

G.S.

FOR OFFICE USE ONLY

**CONVERTIBLE FIXED AND FLOATING CHARGE
TERM DEBENTURE**

THIS DEBENTURE made as of the 1st day of September, 1992.

WHEREAS

1. The Company is indebted to the Holder;
2. The Company, as continuing security for all of its present and future indebtedness, liabilities and obligations to the Holder, has agreed to grant to the Holder a fixed charge on certain of its assets situate in Ontario and a floating charge on all of the properties, assets and undertaking of the Company situate in Ontario; and
3. The Company has agreed to provide the Holder with the right to convert the Principal Sum of the Debenture into Common Shares;

THEREFORE this Debenture witnesseth and it is hereby covenanted, agreed and declared as follows:

**ARTICLE I
INTERPRETATION**

1.01 Definitions

In this Debenture, including the preamble, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings namely:

- (a) "Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are closed in Toronto, Ontario;
- (b) "Common Shares" means the common shares of the Company as such shares were constituted on the date hereof, as the same may be reorganized or reclassified pursuant to any of the events set out in Section 5.05 hereof;
- (c) "Company" means Deak Resources Corporation, a corporation amalgamated under the laws of the Province of Ontario and its successors and assigns;
- (d) "Conversion Price" means the price per Common Share at which the Principal Sum shall from time to time be convertible into Common Shares, initially being \$0.50, subject to adjustment pursuant to Section 5.05 hereof;
- (e) "Current Market Price" at any date, means (i) the weighted average price of all trades of the Common Shares of the Company on The Toronto Stock Exchange or, if not then listed on The Toronto Stock Exchange, on one of the other principal or recognized Canadian stock exchanges on which the Common Shares are then listed, during the twenty (20) consecutive trading days before such date; or (ii) if the Common Shares have not been listed and posted for trading on such a Canadian stock exchange during such period, the value per Common Share of the Company calculated by the auditors of the Company at a month end within thirty-one (31) days before such date determined from the books of the Company on a consolidated basis but reflecting therein the market value of any listed securities, the appraised value of any properties as shown in an appraisal conducted by an independent appraiser within one (1) year of the calculation, and the market value of other assets of the Company;

- 2 -

- (f) "Event of Default" means any of the events specified in Section 7.01 hereof;
- (g) "Holder" or "Debentureholder" means Bradley Bros. Limited and its successors and assigns;
- (h) "Mortgaged Premises" means the undertaking, property, assets, rights and interests of the Company which now are or hereafter may be subjected to and intended to be subjected to the Security Interest in favour of the Holder created by this Debenture;
- (i) "person" means an individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative, or any group or combination thereof;
- (j) "Principal Amount" means the principal amount from time to time owing under this Debenture, being initially, Six Hundred and Twenty Three Thousand Dollars (\$623,000);
- (k) "Prime Rate" means, for any day, the lending rate of interest expressed as a rate per annum established by the Canadian Imperial Bank of Commerce as its reference rate of interest in order to determine the interest rate it will charge on that day for Canadian dollar commercial loans made in Canada and which the Canadian Imperial Bank of Commerce quotes or publishes as its prime rate;
- (l) "this Debenture", the "Debenture", "herein", "hereby", "hereof", "hereto", "hereunder" and similar expressions mean or refer to this Debenture and any debenture, deed or instrument supplemental or ancillary thereto and any schedules hereto or thereto and not to any particular article, section, subsection, clause, subclause or other portion hereof; and
- (m) "Security Interest" means the mortgages, charges, pledges, transfers, assignments, grants and security interests constituted hereby or pursuant hereto in any manner whatsoever.

1.02 Gender

Whenever used in this Debenture, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.

1.03 Numbering of Articles, etc.

Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Debenture.

1.04 Day not a Business Day

In the event that any day on which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day. If the payment of any amount is deferred for any period, then such period shall be included for purposes of the computation of any interest payable hereunder.

1.05 Computation of Time Period

Except to the extent otherwise provided herein, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.07 **Currency**

Unless otherwise specifically referred to herein, all references to "Dollars" or "\$" shall be to lawful money of Canada.

**ARTICLE II
PROMISE TO PAY**

2.01 **Indebtedness**

The Company, for value received, and in consideration of the premises hereby acknowledges itself indebted to the Holder and promises and covenants with the Holder:

- (a) to pay to the Holder the Principal Sum on June 30, 1996 or sooner upon the occurrence of an Event of Default and in addition from time to time to pay to the Holder such portions of the Principal Amount as may become payable pursuant to Section 2.02 hereof or upon such other date(s) as specified herein;
- (b) to pay to the Holder interest on any monies owing by the Company to the Holder hereunder, all as specifically calculated and payable hereunder; and
- (c) to pay to the Holder all other monies which may be owing by the Company to the Holder pursuant to this Debenture.

2.02 **Payments in Advance of Maturity**

The Company agrees that :

- (a) in the event that during any month while the Principal Sum or any portion thereof remains outstanding the monthly average price of gold, calculated as the simple average of all price fixes made during such month by the London Bullion Market, exceeds US \$380 per ounce, then the Company shall prepay, no later than 10 days following such month, such portion of the Principal Amount as is equal to the product obtained by multiplying (a) \$3.00 by (b) the number of tonnes of ore processed by the Company for its own account from the Kerr Mine at its Kerr Mill facility during such month; and
- (b) in the event the Company successfully completes any financing (which for these purposes shall mean any debt or equity financing) and under the terms of such financing some or all of a portion of the proceeds of such financing are available for use by the Company for general working capital purposes (the "Available Proceeds") (which for these purposes shall mean funds which can be used by the Company in its absolute discretion for any purposes whatsoever and are not required to be directed to one or more specific purposes), then the Company shall prepay, no later than 10 days following the completion of such financing, that portion of the Principal Sum as is equal to the product obtained by multiplying the Available Proceeds by a fraction, the numerator of which is the Principal Sum then outstanding and the denominator of which is \$3,000,000; provided that in the event such product exceeds all amounts then outstanding under this Debenture, the prepayment shall be limited to the total amount then outstanding under this Debenture.

2.03 **Prepayment**

Save as hereinafter provided, the Company shall be entitled from time to time to prepay all or any portion of the Principal Sum without notice, bonus or penalty; provided that if a prepayment is made by the Company pursuant to this Section 2.03 at a time when the Company is in default of its obligation to pay interest on the Principal Sum or to pay other monies hereunder, the amount of the prepayment shall firstly be

credited against the arrears of interest, secondly against the payment of such other monies hereunder and thirdly in reduction of the Principal Sum. Where the Holder has given the Company a notice of conversion as provided for in Section 5.02, then the Company shall not be entitled to make any prepayment in respect of the portion of the Principal Sum in respect of which the Holder has given notice of conversion but shall, if applicable, be entitled to exercise its rights of repurchase set forth in Section 5.03 in accordance with the provisions of such Section.

**ARTICLE III
INTEREST**

3.01 Calculation and Payment of Interest

The Company shall pay interest on the Principal Sum from time to time owing by it to the Holder pursuant to this Debenture from September 1, 1992 up to and including the date of payment at the variable rate per annum which is equal to one (1) percentage point above the Prime Rate, adjusted immediately without notice on each change in the Prime Rate, calculated and payable monthly on the last day in each month in each year, not in advance, with the first interest payment due and payable on September 30, 1992, after as well as before maturity, default and judgment.

3.02 Overdue Interest

All interest payable hereunder on becoming overdue shall be forthwith treated, as to the payment of interest thereon, as principal and thereafter shall bear interest calculated and payable at the same rate and in the same manner as if it was principal.

3.03 No Merger In Judgment

The covenant of the Company to pay interest at the rate provided herein shall not merge in any judgment in respect of any obligation of the Company hereunder and such judgment shall bear interest in the manner set out in this Article III and be payable on the same days when interest (whether hereunder or otherwise) is payable hereunder.

**ARTICLE IV
SECURITY**

4.01 Fixed and Floating Charge

The Company, in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and as continuing security for the due payment of all present and future indebtedness and liabilities of the Company to the Holder and the due performance of all present and future obligations of the Company to the Holder (whether hereunder or otherwise), hereby (subject to the exception as to leasehold interests contained in Section 4.03 and the exception contained in Section 4.04) mortgages, charges, pledges, transfers, assigns, grants and creates a security interest as and by way of:

- (a) a fixed and specific mortgage, pledge and security interest to and in favour of the Holder of all of its right, title and interest, now owned or hereafter acquired by the Company in and to the property described on Schedule "A" hereto; and
- (b) a floating charge and security interest to and in favour of the Holder, of all the personal undertaking, property, rights and assets now owned or hereafter acquired by the Company, of whatsoever nature or kind and situate in the Province of Ontario (other than the undertaking, properties, rights and assets which have been effectively and validly subjected to the fixed and specific mortgage and charge in subsection 4.01 (a), including, without limitation, the following:

- (i) all present and future equipment of the Company including, without limitation, all machinery, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto ("Equipment");
- (ii) all present and future inventory of the Company, including all raw materials, materials used or consumed in the business or profession of the Company, work-in-progress, finished goods, goods used for packing, materials used in the business of the Company not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service; all ores, concentrates, minerals, metals, bullion and other products or materials mined, extracted, or produced or any property of the Company, from time to time, whether obtained by excavation, drilling or otherwise and whether in raw or refined state or in process and all raw materials, materials used or consumed in the business of the Company and goods used for packing or transportation ("Inventory");
- (iii) all present and future debts, demands, and amounts due or accruing due to the Company whether or not earned by performance including, without limitation, its book debts, accounts receivable, and claims under policies of insurance, and all contracts, security interests and other rights and benefits in respect thereof ("Accounts");
- (iv) all present and future intangible personal property of the Company including, without limitation, all contract rights, goodwill, patents, trademarks, copyrights, and other industrial property, and all other choses in action of the Company of every kind, whether due at the present time or hereafter to become due or owing ("Intangibles");
- (v) all present and future documents of title of the Company, whether negotiable or otherwise, including, without limitation, all warehouse receipts and bills of lading ("Documents of Title");
- (vi) all present and future agreements made between the Company as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods ("Chattel Paper");
- (vii) all present and future bills, notes and cheques (as such are defined pursuant to the Bills of Exchange Act (Canada)), and all other writings that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment ("Instruments");
- (viii) all present and future money of the Company, whether authorized or adopted by the Parliament of Canada as part of its currency or any foreign government as part of its currency ("Money");
- (ix) all present and future securities held by the Company including, without limitation, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Company in property or an enterprise or which constitute evidence of an obligation of the issuer and including an uncertificated security within the meaning of Part VI (Investment Securities) of the Business Corporations Act (Ontario) and all substitutions therefor and dividends and income derived therefrom ("Securities");

- (x) all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating to collateral subject to this floating charge ("Documents");
- (xi) all present and future personal property, business and undertaking of the Company not being Equipment, Inventory, Accounts, Intangibles, Documents of Title, Chattel Paper, Instruments, Money, Securities or Documents ("Undertaking"); and
- (xii) all personal property in any form derived directly or indirectly from any dealing with collateral subject to this floating charge or the proceeds therefrom, and including any payment representing indemnity or compensation for loss of or damage thereto or the proceeds therefrom ("Proceeds").

4.02 **Further Description of Collateral**

The Company agrees to promptly inform the Holder in writing of the acquisition by the Company of any personal property which is not of the nature or type described in Section 4.01. The Company agrees to execute and deliver at its own expense from time to time amendments to this Debenture or additional security as may be reasonably required by the Holder in order that the Security Interest shall attach to such after acquired property.

4.03 **Reservation of Last Day of Leasehold Terms**

It is hereby declared that the last day of any term reserved by any lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Company is hereby and shall be excepted out of the Security Interest hereby created and does not and shall not form part of the Mortgaged Premises, but the Company shall stand possessed of the reversion remaining in the Company of any aforesaid leasehold interest and of any right of renewal thereof upon trust for the Holder for the purpose of this Debenture and to assign and dispose thereof as the Holder shall, for such purpose, direct; and upon any sale or sales of such leasehold interest or any part thereof, the Holder, for the purpose of vesting the aforesaid residue of any such term or any renewal thereof in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other person or persons a new trustee or trustees of the aforesaid residue of any such term or any renewal thereof in the place of the Company and to vest the same accordingly in the new trustee or trustees so appointed free and discharged from any obligation respecting the same.

4.04 **Ordinary Course of Business**

So long as no Event of Default has occurred and is continuing, the Company may sell, dispose of mortgage, charge, pledge, transfer, assign or otherwise deal with the Mortgaged Premises in the ordinary course of the Company's business and for the purpose of carrying on and extending its business.

4.05 **Habendum**

The Holder shall have and hold the Mortgaged Premises granted, assigned, transferred, mortgaged, pledged and charged under this Debenture and all rights hereby conferred unto the Holder, its successor and assigns, forever, with the powers and authorities and subject to the terms and conditions of this Debenture.

4.06 **Debenture Valid Irrespective of Date of Advance of Moneys**

The security hereby created shall be effective and shall have effect whether or not the money hereby secured or any part thereof shall be advanced before or after or upon the date of execution of this Debenture.

4.07 **Registration**

The Company shall:

- (a) register, file or record or cause to be registered, filed or recorded this Debenture and all instruments supplemental or ancillary hereto at every office and place where the registration, filing or recording thereof may be of material advantage in preserving and protecting the security hereby created; and
- (b) renew or cause to be renewed such registrations, filings or recordings from time to time as and when required.

4.08 **Further Assurances**

The Company shall forthwith, and from time to time, execute, do and deliver or cause to be executed, delivered and done all deeds, documents and things which are necessary or advisable for giving the Holder a valid mortgage, pledge, charge and security interest of the nature herein specified upon the Mortgaged Premises, for better assuring, mortgaging, pledging, charging, securing, transferring, granting and assigning unto the Holder the Mortgaged Premises, for conferring upon the Holder such power of sale and other powers over the Mortgaged Premises as are hereby expressed to be conferred; and for better accomplishing and effecting the intentions and provisions hereof.

4.09 **No Obligation to Advance**

Neither the execution, delivery or registration of this Debenture, nor the advancing of any of the monies hereby secured shall bind the Holder to advance any further monies hereunder, but the advance of the monies or any part thereof from time to time shall be in the sole discretion of the Holder.

4.10 **Attachment**

The Company acknowledges and agrees that value has been given; that the Company has rights in the Mortgaged Premises; and that it is the express mutual intent of it and the Holder that the Security Interest created pursuant to Section 4.01 shall attach to the Mortgaged Premises immediately upon execution of this Debenture without delay or postponement of any nature.

4.11 **Subordination**

The Holder agrees that it shall from time to time, upon the written request of the Company, take such action as may be necessary or appropriate to subordinate its Security Interest to any mortgage, charge, pledge, transfer, assignment, grant and/or security interest which may from time to time be created by the Company in respect of:

- (a) ordinary course bona fide joint venture arrangements affecting the Mortgaged Premises with arms' length parties (which for these purposes shall mean any person which is not an "affiliate" of the Company as such term is defined in the Securities Act (Ontario)), whether in whole or in part, where the terms of the joint venture arrangement require that the interest of the other party or parties to the joint venture to and in the Mortgaged Premises affected by such joint venture rank prior to the Holder's Security Interest hereunder;
- (b) financing provided to the Company by banks or trust companies or government lenders where the relevant lender requires, as a condition of providing such financing, that the Holder's Security Interest rank subsequent to the security to be granted to such lender in connection with such financing; and

- (c) purchase money obligations, being any mortgage, hypothec, charge, vendor's privilege, vendor's lien or other encumbrance upon property (and the indebtedness represented thereby) given or assumed or arising by operation of law, to provide or secure the whole or any part of the consideration for the acquisition of such property and any renewal, refinancing or extension not in excess of the principal amount thereof immediately prior to such renewal, refinancing or extension.

Without limiting the generality of the foregoing, the Holder agrees it will, within 5 days of receipt of a subordination request from the Company, which subordination request shall detail the reasons for the subordination request and shall be accompanied by a certificate of an officer of the Company certifying that the relevant circumstances fall within subsection 4.01(a) or (b) and therefore entitle the Company to request subordination, execute and deliver an appropriate subordination or priority agreement giving effect to the subordination provided for in this Section 4.11, which agreement shall be satisfactory to each of the Company and the Holder, acting reasonably.

ARTICLE V **CONVERSION PRIVILEGE**

5.01 Right to Convert

Subject to and upon compliance with the provisions of this Article, the principal amount of this Debenture or any portion of the principal amount thereof which is \$10,000 or an integral multiple of \$10,000 may, at the option of the Holder thereof, at any time be converted into fully paid and non-assessable Common Shares at the Conversion Price then in effect.

5.02 Exercise of Conversion Privilege

In order to exercise the conversion privilege, the Holder of this Debenture shall surrender this Debenture to the Company at its principal office in Toronto, Ontario, accompanied by written notice (which shall be irrevocable) in the form of Schedule "B" hereto signed by such Debentureholder stating that it elects to convert this Debenture or a stated portion of the principal amount thereof constituting \$10,000 or an integral multiple of \$10,000. Subject to Section 5.03, the surrender of this Debenture (in the case of a total conversion), or the making of an appropriate entry on the grid schedule attached hereto being countersigned by the Company (in the case of a partial conversion), accompanied by such written notice shall be deemed to constitute a contract between the Holder of this Debenture and the Company whereby (i) the Holder subscribes for the number of Common Shares which it shall be entitled to receive on such conversion, (ii) the Holder releases the Company from all liability under this Debenture or from all liability with respect to that portion of the principal amount thereof to be converted, as the case may be, and (iii) the Company agrees that the surrender of the Debenture for conversion (or making the appropriate entry on the grid schedule attached hereto, countersigned by the Company, as the case may be) constitutes full payment of the subscription price for the Common Shares issuable upon such conversion. The date of receipt by the Company of this Debenture (or the date of countersignature, as the case may be) and such notice is herein referred to as the "Date of Conversion" of such Debenture.

Subject to Section 5.03, as promptly as practicable after the Date of Conversion, the Company shall issue or cause to be issued and deliver or cause to be delivered to the Holder a certificate or certificates in the name of the Holder for the number of Common Shares deliverable upon the conversion of such Debenture (or specified portion thereof). Such conversion shall be deemed to have been effected immediately prior to the close of business on the Date of Conversion and at such time the rights of the Holder of this Debenture as such Holder shall cease in respect of the portion thereof converted and the person in whose name any certificate or certificates for Common Shares shall be deliverable upon such conversion shall be deemed to have become on such date the holder of record of the Common Shares represented thereby; provided, however, that no such surrender on any date when the share transfer registers

for Common Shares of the Company shall be closed shall be effective to constitute the person entitled to receive such Common Shares upon such conversion as the holder of record of such Common Shares on such date, but such surrender shall be effective to constitute the person entitled to receive such Common Shares as the holder of record thereof for all purposes at the close of business on the next succeeding day on which such share transfer registers are open and such conversion shall be at the Conversion Price in effect at the close of business on the next succeeding day. Common Shares issued upon conversion shall rank only in respect of dividends declared in favour of shareholders of record on and after the Date of Conversion.

Upon conversion in part only, the Holder shall make, and the Company shall, forthwith upon delivery of the Debenture to the Company, countersign the appropriate notation on the attached grid schedule.

5.03 Repurchase Right

In the event that the Company receives a conversion notice from the Holder pursuant to Section 5.02 and on the date receipt of such notice by the Company, the Current Market Price for the Company's Common Shares is \$1.00 or greater, then the Company shall, provided it is not then in default of any of its material obligations hereunder (including, without limitation, this Section 5.03), have the right to repurchase the Debenture or such portion thereof as is being converted, as the case may be, by payment to the Holder of an amount equal to two times the Principal Sum to be so converted by the Holder together with all accrued interest and other amounts then owing under this Debenture. Such right must be exercised by the Company giving notice to the Holder of its intent to exercise its repurchase rights within 5 days of its receipt of a conversion notice and by paying the amount required hereunder, by bank draft or money order, to the Holder within 15 days of the receipt by the Company of the Holder's conversion notice. In the event the Company exercises its repurchase rights under this Section 5.03, all rights of the Holder to convert the Principal Sum or portion thereof, as specified in the Holder's conversion notice, shall cease and terminate, provided that in the event the Company fails to make the required payment within the required time period, such conversion rights of the Holder shall be fully reinstated.

5.04 No Fractional Common Shares

Notwithstanding anything herein contained, the Company shall in no case be required to issue fractional Common Shares upon the conversion of this Debenture. If any fractional interest in a Common Share would, except for the provisions of this Section, be deliverable upon the conversion of any Debenture, the number of Common Shares issuable to the Holder shall be rounded to the next lower whole number of Common Shares and such holder shall be entitled to a cash payment in lieu thereof equal to such fractional interest multiplied by the closing market price of the Common Shares on the Date of Conversion.

5.05 Adjustment to Conversion Price

The Conversion Price in effect at any time is subject to adjustment from time to time in the events and in the manner provided as follows:

- (1) If and whenever at any time after the date hereof the Company:
 - (a) issues Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all the holders of the Common Shares as a stock dividend; or
 - (b) makes a distribution on its outstanding Common Shares payable in Common Shares or securities exchangeable for or convertible into Common Shares; or
 - (c) subdivides its outstanding Common Shares into a greater number of shares; or

- (d) consolidates its outstanding Common Shares into a small number of shares;

(any of such events being called a "Common Share Reorganization"), then the Conversion Price will be adjusted effective immediately after the effective date or record date for the happening of a Common Share Reorganization, as the case may be, at which the holders of Common Shares are determined for the purpose of the Common Share Reorganization by multiplying the Conversion Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which is the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which is the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would have been outstanding had all such securities been exchanged for or converted into Common Shares on such effective date or record date).

(2) If and whenever at any time after the date hereof the Company fixes a record date for the issue of rights, options or warrants to the holders of all or substantially all of its outstanding Common Shares under which such holders are entitled to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares, where

- (a) the right to subscribe for or purchase Common Shares, or the right to exchange securities for or convert securities into Common Shares, expires not more than 45 days after the date of such issue (the period from the record date to the date of expiry being herein in this Section 5.04 called the "Rights Period"), and
- (b) the cost per Common Share during the Rights Period (inclusive of any cost or acquisition of securities exchangeable for or convertible into Common Shares in addition to any direct cost of Common Shares) (herein in this Section 5.05 called the "Per Share Cost") is less than 95% of the Current Market Price of the Common Shares on the record date,

(any of such events being called a "Rights Offering"), then the Conversion Price will be adjusted effective immediately after the end of the Rights Period to a price determined by multiplying the Conversion Price in effect immediately prior to the end of the Rights Period by a fraction:

- (i) the numerator of which is the aggregate of:
- (A) the number of Common Shares outstanding as of the record date for the Rights Offering; and
- (B) a number determined by dividing the product of the Per Share Cost and:
- (i) where the event giving rise to the application of this subsection 5.05(2) was the issue of rights, options or warrants to the holders of Common Shares under which such holders are entitled to subscribe for or purchase additional Common Shares, the number of Common Shares so subscribed for or purchased during the Rights Period, or
- (ii) where the event giving rise to the application of this subsection 5.05(2) was the issue of rights, options or warrants to the holders of Common Shares under which such holders are entitled to subscribe for or purchase securities exchangeable for or convertible into Common Shares, the number of Common Shares for which those

securities so subscribed for or purchased during the Rights Period could have been exchanged or into which they could have been converted during the Rights Period,

by the Current Market Price of the Common Shares as of the record date for the Rights Offering; and

- (ii) the denominator of which is
 - (A) in the case described in subparagraph (i)(B)(i), the number of Common Shares outstanding, or
 - (B) in the case described in subparagraph (i)(B)(ii), the number of Common Shares that would be outstanding if all the Common Shares described in subparagraph (i)(B)(ii) had been issued,

as at the end of the Rights Period.

Any Common Shares owned by or held for the account of the Company or any subsidiary or affiliate (as defined in the Securities Act (Ontario)) of the Company will be deemed not to be outstanding for the purpose of any such computation.

If by the terms of the rights, options or warrants referred to in this Section 5.05, there is more than one purchase, conversion or exchange price per Common Share, the aggregate price of the total number of additional Common Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible securities so offered, will be calculated for purposes of the adjustment on the basis of

- (a) the lowest purchase, conversion or exchange price per Common Share, as the case may be, if such price is applicable to all Common Shares which are subject to the rights, options or warrants, and
- (b) the average purchase, conversion or exchange price per Common Share, as the case may be, if the applicable price is determined by reference to the number of Common Shares acquired.

To the extent that any adjustment in the Conversion Price occurs pursuant to this Section 5.05 as a result of the fixing by the Company of a record date for the distribution of rights, options or warrants referred to in this Section 5.05, the Conversion Price will be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the Conversion Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiration, and will be further readjusted in such manner upon expiration of any further such right.

If the Holder of this Debenture has exercised the conversion privilege in accordance with Sections 5.01 and 5.02 during the period beginning immediately after the record date for a Rights Offering and ending on the last day of the Rights Period therefor, the Holder will, in addition to the Common Shares to which it is otherwise entitled upon such exercise in accordance with Sections 5.01 and 5.02, be entitled to that number of additional Common Shares equal to the result obtained when the difference, if any, between the Conversion Price in effect immediately prior to the end of such Rights Offering pursuant to this subsection is multiplied by the number of Common Shares received upon the conversion or partial conversion of this Debenture during such period, and the resulting product is divided by the Conversion Price as adjusted for such Rights Offering pursuant to this subsection; provided that the provisions of Section 5.04 will be applicable to any fractional interest in a Common Share to which such Holder might otherwise be entitled. Such additional Common Shares will be deemed to have been issued to the Holder immediately following the end of the Rights Period and a certificate

for such additional Common Shares will be delivered to such Holder within ten Business Days following the end of the Rights Period.

(3) If and whenever at any time after the date hereof the Company fixes a record date for the issue or the distribution to the holders of all or substantially all its Common Shares of

- (a) shares of the Company of any class other than Common Shares,
- (b) rights, options or warrants to acquire shares or securities exchangeable for or convertible into shares or property or other assets of the Company,
- (c) evidence of indebtedness, or
- (d) any property or other assets

and if such issuance or distribution does not constitute a Common Share Reorganization or a Rights Offering (any of such non-excluded events being called a "Special Distribution"), the Conversion Price will be adjusted effective immediately after such record date to a price determined by multiplying the Conversion Price in effect on such record date by a fraction:

- (i) the numerator of which is:
 - (A) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date; less
 - (B) the aggregate fair market value (as determined by action by the directors of the Company) to the holders of the Common Shares of such securities or property or other assets so issued or distributed in the Special Distribution; and
- (ii) the denominator of which is the number of Common Shares outstanding on such record date multiplied by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Company or any subsidiary or affiliate (as defined in the Securities Act (Ontario)) of the Company will be deemed not to be outstanding for the purpose of any such computation.

(4) If and whenever at any time after the date hereof there is a reclassification of the Common Shares outstanding at any time or change of the Common Shares into other shares or into other securities (other than a Common Share Reorganization), or a consolidation, amalgamation or merger of the Company with or into any other corporation or other entity (other than a consolidation, amalgamation or merger which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity (any of such events being called a "Capital Reorganization"), the Holder, upon exercising the conversion privilege pursuant to Section 5.01 and 5.02 after the effective date of such Capital Reorganization, will be entitled to receive in lieu of the number of Common Shares to which such Holder was theretofore entitled upon such conversion, the aggregate number of shares, other securities or other property which such Holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Common Shares to which such Holder was theretofore entitled upon conversion of this Debenture. If determined appropriate by action of the directors of the Company, appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Section 5.05 with respect to the rights and interests thereafter of the Holder of this Debenture to the end that the provisions set forth in this Section 5.05 will thereafter correspondingly be made applicable as nearly as may

reasonably be in relation to any shares, other securities or other property thereafter deliverable upon the exercise of the conversion privilege. Any such adjustment must be made by and set forth in an amendment to this Debenture approved by action by the directors of the Company and will for all purposes be conclusively deemed to be an appropriate adjustment.

5.06 Rules Regarding Calculation of Adjustment of Conversion Price

(1) The adjustments provided for in Section 5.05 are cumulative and will, in the case of adjustments to the Conversion Price, be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 5.06.

(2) No adjustment in the Conversion Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing Conversion Price; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustments.

(3) No adjustment in the Conversion Price will be made in respect of any event described in Section 5.05, other than the events referred to in clauses 5.05(1)(c) and (d), if the Holder of this Debenture is entitled to participate in such event on the same terms, mutatis mutandis, as if the Holder had exercised its conversion privilege prior to or on the effective date or record date of such event.

(4) No adjustment in the Conversion Price will be made under Section 5.05 in respect of the issue from time to time of Common Shares issuable from time to time as dividends paid in the ordinary course to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend, and any such issue will be deemed not to be a Common Share Reorganization.

(5) If at any time a dispute arises with respect to adjustments provided for in Section 5.05, such dispute will be conclusively determined by the auditors of the Company or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action by the directors of the Company and any such determination will be binding upon the Company, the holders of this Debenture and shareholders of the Company. The Company will provide such auditors or accountants with access to all necessary records of the Company.

(6) In case the Company after the date of this Debenture takes any action affecting the Common Shares, other than action described in Section 5.05, which in the opinion of the board of directors of the Company would materially affect the rights of the holders of this Debenture, the Conversion Price will be adjusted in such manner, if any, and at such time, by action by the directors of the Company but subject in all cases to any necessary regulatory approval. Failure of the taking of action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Common Shares will be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances.

(7) If the Company sets a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Conversion Price will be required by reason of the setting of such record date.

(8) In the absence of a resolution of the directors of the Company fixing a record date for a Special Distribution or Rights Offering, the Company will be deemed to have fixed as the record date therefor the date on which the Special Distribution or Rights

Offering is effected.

(9) As a condition precedent to the taking of any action which would require any adjustment in the conversion privilege pursuant to this Debenture, including the Conversion Price, the Company must take any corporate action which may be necessary in order that the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder of this Debenture is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

(10) The Company will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 5.05, forthwith give notice to the Holder of this Debenture specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price.

(11) The Company covenants to and in favour of the Holder of this Debenture that so long as any principal amount hereunder remains outstanding, it will give notice to the Holder of this Debenture of its intention to fix a record date for any event referred to in subsections 5.05(1), (2) or (3) (other than the subdivision or consolidation of the Common Shares) which may give rise to an adjustment in the Conversion Price, and, in each case, such notice must specify the particulars of such event and the record date and the effective date for such event; provided that the Company is only required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice must be given not less than 14 days in each case prior to such applicable record date or effective date.

5.07 Reservation of Common Shares

The Company shall at all times when any part of this Debenture remains outstanding reserve and keep available out of its authorized but unissued Common Shares, for the purpose of effecting the conversion of this Debenture, such number of Common Shares as shall from time to time be sufficient to effect the full conversion hereof. As a condition precedent to the taking of any action which would require an adjustment to the Conversion Price, the Company shall take any corporate action which may, in the opinion of counsel, be necessary in order that the Company shall have unissued and reserved in its authorized capital, and may validly and legally issue, the shares to which the Holder is entitled on the full exercise of its conversion rights in accordance with the provisions hereof.

ARTICLE VI
COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE COMPANY

6.01 Covenants

The Company hereby covenants and agrees with the Holder that:

(a) **To Pay Principal and Interest**

the Company shall duly and punctually pay or cause to be paid to the Holder the principal, interest and all other monies payable on or pursuant to this Debenture on the dates, at the places, in the monies and in the manner mentioned herein;

(b) **To Remain a Reporting Issuer**

the Company shall make all requisite filings under the Securities Act of the Province of Ontario including those necessary to remain a reporting issuer not in default of any requirement of such Act and the respective regulations thereunder;

(c) To Maintain Stock Exchange Listing

the Company shall maintain in good standing the listing of the Common Shares upon The Toronto Stock Exchange at all times while the Company may be subject to any obligations under this Debenture and shall cause such stock exchange to list all Common Shares issuable upon the conversion of this Debenture as provided herein;

(d) To Provide Financial Statements

the Company shall provide to the Holder all financial statements and other documentation which the Company is required by law to provide to its shareholders and within the time limits applicable thereto;

(e) Event of Default

the Company shall give the Holder prompt written notice of the occurrence of any Event of Default, or any event or circumstance that, with the giving of notice or lapse of time or both, would constitute an Event of Default;

(f) Distributions

at any time when the Company is in arrears of payment of principal of or interest on the Debenture, the Company shall not:

- (i) declare or pay any dividends on any shares of the Company; or
- (ii) call for redemption or purchase for cancellation or make any capital distribution with respect to any shares of the Company (except out of the net cash proceeds of a substantially concurrent issue of shares); and

(g) Corporate Status

subject to Section 6.02, the Company shall preserve and maintain its corporate existence and all licenses and permits that are material to the proper conduct of its business and it shall refrain from changing its name;

6.02 Consolidation and Amalgamation

(1) The Company shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a "successor corporation") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless:

- (a) prior to or contemporaneously with the consummation of such transaction the Company and the successor corporation shall have executed such instruments and done such things as, in the opinion of counsel to the Holder, are necessary or advisable to establish that upon the consummation of such transaction:
 - (i) the successor corporation will have assumed all the covenants and obligations of the Company under this Debenture, and
 - (ii) the Debenture will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Debenture;
- (b) no condition or event shall exist in respect of the Company or the successor corporation either at the time of, or immediately after the consummation of, any such transaction and after giving full effect thereto which constitutes or

would constitute an Event of Default hereunder; and

- (c) such transaction shall not be prejudicial to the interests of the Holder or the priority position of the Security Interest constituted by this Debenture or to the rights and powers of the Holder hereunder.

(2) Whenever the conditions of subsection 6.02(1) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Company under this Debenture in the name of the Company or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Company may be done and performed with like force and effect by the like directors or officers of the successor corporation.

6.03 Representation and Warranty

The Company hereby represents and warrants with and to the Holder that the Company is duly authorized and has the corporate and lawful power and authority to create and issue this Debenture, create the Security Interest and perform its obligations hereunder and that this Debenture represents a valid, legal and binding obligation of the Company enforceable in accordance with its terms.

**ARTICLE VII
DEFAULT AND ENFORCEMENT**

7.01 Events of Default

The Principal Sum of the Debenture, interest thereon and other monies hereby secured shall immediately become due and payable and the security hereby constituted shall immediately become enforceable upon the occurrence of any of the following events (each such event being called an "Event of Default"):

- (a) if there occurs any default in payment, in whole or in part, when due, of the Principal Sum or interest thereon or any other monies secured hereby or if the Company exercises its repurchase right provided in Section 5.03 and fails to make payment of the applicable repurchase price within the time required by Section 5.03;
- (b) if the Company makes default in the observance or performance of any covenant or condition to which it is subject pursuant to this Debenture (other than the covenants referred to in subsection 7.01(a)) or any other agreement now or hereafter made with the Holder and it fails to remedy such default within a period of thirty (30) days from receipt of written notice of such default from the Holder;
- (c) if an order is made or, without the prior written consent of the Holder, an effective resolution is passed for the winding-up, liquidation or dissolution of the Company or if a petition is filed for the winding-up of the Company, and the same not be disputed diligently and in good faith by the Company;
- (d) if the Company makes a general assignment for the benefit of its creditors or a proposal under the Bankruptcy Act, or is declared bankrupt, or if a liquidator, trustee in bankruptcy, receiver, receiver and manager or any other officer with similar powers is appointed to take control of the Company or any substantial part thereof;
- (e) if any proceeding with respect to the Company is commenced under the Companies' Creditors Arrangement Act or any similar legislation;
- (f) if any execution or any other process of any court becomes enforceable against the Company which may materially affect the financial affairs and operations or any material part of its assets or property or if a distress or

analogous process is levied upon any of its assets or property or if an encumbrancer takes possession of any of its assets or property, provided that such execution, distress or analogous process or possession by an encumbrancer is not diligently and in good faith being contested by the Company;

- (g) If the Company ceases, or threatens to cease, to carry on business or commits, or threatens to commit, any act of bankruptcy; or
- (h) if any representation or warranty made by the Company hereunder or in any certificate or other instrument furnished to the Holder in regard hereto was false or misleading at the time when it was made in any material respect.

7.02 Remedies in Case of Default

The Company covenants and agrees that:

- (a) If any Event of Default shall occur, then upon demand of the Holder without need for any further declaration, formality, notice or other communication, all of which are hereby expressly waived by the Company, the Company will immediately pay to the Holder the Principal Sum of the Debenture that then shall have become due and payable together with all interest thereon and all other monies secured hereby and in addition thereto, such further amount as shall be sufficient to cover reasonable compensation to the Holder, its agents and counsel, and all other expenses and liabilities incurred, and all advances made, by the Holder.
- (b) In case the Company shall fail forthwith to pay the amounts set out in subsection 7.02(a) upon such demand, the Holder in its own name shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Company with respect to the monies adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company under any applicable bankruptcy or insolvency law relative to the Company, its creditors or its property, or in case a receiver or trustee shall have been appointed for its property, or in case of any judicial proceedings relative to the Company or the Debenture, the Holder, regardless of whether the Principal Sum of the Debenture shall then be due and payable as herein expressed or by declaration or otherwise and regardless of whether the Holder shall have made any demand pursuant to the provisions of this Section 7.02, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of the Principal Sum together with all interest thereon and all other monies secured hereby owing and unpaid in respect of the Debenture, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Holder (including any claim for reasonable compensation to the Holder, its agents and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Holder) allowed in any judicial proceedings relative to the Company, its creditors or its property, and to collect and receive any monies or other property payable or deliverable on any such claims; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to pay such amount as shall be sufficient to cover reasonable compensation to the Holder, its agents and counsel, and all other expenses and liabilities incurred, and all advances made, by the Holder.

- (c) In case of an Event of Default, the Holder may, in its discretion:

- (i) proceed to protect and enforce the rights vested in it by this Debenture by such appropriate judicial proceedings as the Holder shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise whether for the specific enforcement of any covenant or agreement contained in this Debenture, or to enforce any other legal or equitable right vested in the Holder by this Debenture or by law; and/or
- (ii) without regard to the adequacy of the security constituted hereby or the solvency of the Company, by instrument in writing, appoint, or make application to a court of competent jurisdiction for the appointment of, any person or persons to be a receiver, manager or receiver and manager (hereinafter collectively called the "Receiver") of all or any part of the Mortgaged Premises including any rents and profits thereof; and/or
- (iii) by itself, its officers, agents or attorneys, in its discretion and/or by a Receiver (if permitted or required by law) and/or by a court of competent jurisdiction on its application, and either with or without notice as it in its absolute discretion determines, enter into and upon and take possession of the whole or any part or parts of the Mortgaged Premises, with full power to exclude the Company, its agents and servants therefrom, to carry on, manage and conduct the business and operations of the Company in respect of the Mortgaged Premises, including the power to borrow money for its own account or in its own name or advance its own moneys at such rate of interest as it may deem reasonable for the purposes of such business and operations and the maintenance and preservation of the Mortgaged Premises, or any part thereof, and the payment of taxes, wages and other charges ranking in priority to this Debenture and current operating expenses incurred not more than 60 days prior to such taking possession, and, in the name of, and as attorney for, the Company, to hypothecate, mortgage, pledge, charge or otherwise grant security upon the whole or any part of the Mortgaged Premises in priority over the security created hereunder, as security for the repayment of the moneys so borrowed and interest thereon, which security may be granted either at the time of or subsequent to the borrowing of said moneys (and moneys so borrowed or advanced shall be repaid by the Company on demand and until repaid shall, with the interest thereon, be secured by the security created hereunder and shall be a charge upon the Mortgaged Premises in priority to this Debenture), and to receive the rents, incomes, issues and profits thereof and to pay therefrom all expenses, charges and advances of the Holder and/or such Receiver in carrying on the said business and operations or otherwise and all taxes, assessments, insurance premiums and other charges against the Mortgaged Premises ranking in priority to this Debenture or payment of which may be necessary to preserve the same, and the balance (if any) shall be held and applied as if the same arose from a sale or realization of the Mortgaged Premises; provided that nothing herein contained and nothing done by the Holder or by such Receiver shall render the Holder a mortgagee in possession as such, subject to the provisions of the instrument appointing such Receiver; and provided that, upon all Events of Default being made good or waived by the Holder as herein provided, the Mortgaged Premises and the said business relating thereto shall be restored to the Company and any and all amounts due to or property returnable to the Receiver or the Holder hereunder in priority to this Debenture shall be so paid and/or returned by the Company and in case of any such restoration of property to the Company, the security hereby constituted shall no longer be deemed to have become enforceable by reason of the Event or Events of Default which theretofore existed, but the rights to

arise upon a subsequent Event of Default shall not be affected thereby. In the event of the Mortgaged Premises being restored to the Company, it is hereby declared and provided that the Mortgaged Premises so restored to the Company, shall thereupon become again and be subject to the security created by this Debenture as fully and to the same extent as if no Event of Default had occurred, and the Company and the Holder shall execute any deeds which may be necessary or desirable for such purposes; and/or

- (iv) either after such entry as aforesaid or without any entry, sell and dispose of the Mortgaged Premises, either as a whole or in separate parcels, by private contract, at public auction or by public tender, at such times and on such terms and conditions as the Holder shall reasonably appoint, having first given such notice as it may think proper or as may be required pursuant to the provisions of any applicable law in any jurisdiction in which the Mortgaged Premises are situate, and it shall be lawful for the Holder to make such sale, either for cash or upon credit, upon such reasonable conditions as to upset or reserve bid or price and as to terms of payment, as it may reasonably deem proper, and also to rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred herein, to adjourn any such sale from time to time, and to execute and deliver to the purchaser or purchasers of the Mortgaged Premises or any part thereof, a good and sufficient deed or deeds for the same, the Holder being hereby constituted the irrevocable attorney of the Company for the purpose of making such sale and executing such deeds and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Company and its assigns and all other persons claiming the Mortgaged Premises or any part or parcel thereof by, from, through or under the Company or its assigns, and the proceeds of any such sale shall be distributed in the manner hereinafter provided.
- (d) The Holder, any affiliate (as such term is defined in the Securities Act (Ontario)) of the Holder, any Receiver or any agent or representative thereof, may become purchasers at any sale of the Mortgaged Premises, whether made under the power of sale herein contained or pursuant to judicial proceedings.
- (e) The Company binds and obliges itself to yield up possession of the Mortgaged Premises and the conduct of its business and operations relating to the Mortgaged Premises to the Holder and/or the Receiver appointed under clause 7.02(c)(ii) hereof whenever there is a right of entry hereunder and agrees to put no obstacles in the way of, but to facilitate by all legal means, the actions of the Holder and such Receiver hereunder and not interfere with the exercise of the powers hereby granted to them or either of them. The Company hereby binds itself in the event of the security hereby constituted becoming enforceable to consent to any petition or application presented to the court by the Holder in order to effectuate the intent of this Debenture, and the Company shall not, after receiving due notice from the Holder that it and/or such Receiver has taken possession of the Mortgaged Premises by virtue of these presents, continue therein, unless with the express written consent and authority of the Holder and/or such Receiver, and shall forthwith, by and through its officers and directors, execute such documents and transfers as may be necessary to place the Holder and/or Receiver in legal possession of the Mortgaged Premises and after receipt of such notice all the powers and functions, rights and privileges of each and every of the directors and officers of the Company shall cease and determine with respect to the Mortgaged Premises and the business and operations of the Company relating to the Mortgaged Premises unless expressly continued in writing by the Holder and/or such Receiver, or unless the Mortgaged Premises shall have been restored to the Company as

hereinbefore provided.

- (f) If a Receiver is appointed under clause (ii) of subsection 7.02(c), the following provisions shall apply:
- (i) such appointment shall be made in writing signed by the Holder and such writing shall be conclusive evidence for all purposes of such appointment. The Holder may from time to time in the same manner remove any Receiver so appointed and appoint another in its stead. In making any such appointment the Holder shall be deemed to be acting as the attorney for the Company;
 - (ii) any such appointment may be limited to any part or parts of the Mortgaged Premises or may extend to the whole thereof;
 - (iii) every such Receiver may, in the discretion of the Holder, be vested with all or any of the powers and discretions of the Holder and such additional powers and discretions as the court, if any, making the appointment shall confer;
 - (iv) the Holder may from time to time fix the reasonable remuneration of every such Receiver and direct the payment thereof out of the Mortgaged Premises (in priority to the Holder), the income therefrom or the proceeds thereof;
 - (v) the Holder may from time to time require any such Receiver to give security for the performance of its duties and may fix the nature and amount thereof, but shall not be bound to require such security;
 - (vi) every such Receiver may, with the consent in writing of the Holder, borrow money for the purposes of carrying on the business of the Company in respect of all or any part of the Mortgaged Premises or for the maintenance, protection or preservation of the Mortgaged Premises or any part thereof, and any Receiver may issue certificates (in this Section called "Receivers' Certificates") for such sums as will in the opinion of the Holder be sufficient for obtaining upon the security of the Mortgaged Premises or any part thereof the amounts from time to time required, and such Receivers' Certificates may be payable either to order or bearer and may be payable at such time or times as the Holder may consider expedient, and shall bear such interest as shall there be declared and the Receiver may sell, pledge or otherwise dispose of the same in such manner as the Holder may consider advisable and may pay such commission on the sale thereof as the Holder may consider reasonable, and the amounts from time to time payable by virtue of such Receivers' Certificates shall at the option of the Holder be entitled to the security hereof in priority to the Principal Sum, interest and other amounts secured by this Debenture;
 - (vii) every such Receiver shall, so far as concerns responsibility for its acts or omissions, be deemed to be the agent of the Company and in no event the agent of the Holder and the Holder shall not, in making or consenting to such appointment, incur any liability to any Receiver for its remuneration or otherwise howsoever;
 - (viii) except as may be otherwise directed by the Holder, all monies from time to time received by any Receiver shall be paid over to the Holder at the principal office of the Holder in Toronto, Ontario to be held by it as part of the Mortgaged Premises;
 - (ix) the Holder may pay over to any Receiver any monies constituting part of the Mortgaged Premises to the extent that the same may be applied for the purpose hereof by such Receiver, and the Holder may

from time to time determine what funds any Receiver shall be at liberty to keep on hand with a view to the performance of its duties as such Receiver; and

- (x) the Company hereby consents to the appointment of such Receiver under subsection 7.02(c)(ii).

7.03 **Application of Proceeds of Sale or Realization**

Except as otherwise herein provided, the moneys arising from any operation of the Mortgaged Premises under the provisions of Section 7.02 or from the sale or other realization of the whole or any part of the Mortgaged Premises, pursuant to any proceedings based upon an Event of Default hereunder whether under any sale by the Holder or Receiver or by judicial process or otherwise, shall be applied, together with any other moneys then or thereafter in the hands of the Holder available for the purpose as follows:

- (a) **first**, in payment of all costs, charges and expenses of and incidental to any such sale or realization;
- (b) **second**, in payment of all charges on the Mortgaged Premises or the part thereof so sold or realized (except those subject to which such sale or realization shall have been made) ranking in priority to this Debenture;
- (c) **third**, in payment of all accrued and unpaid interest hereunder;
- (d) **fourth**, in payment of all other moneys owing hereunder, except principal;
- (e) **fifth**, in or towards payment of the Principal Sum and any other amount owing by the Company and secured by the Debenture for the time being outstanding; and
- (f) **sixth**, the surplus, if any, of such moneys shall be paid to the Company or its assigns.

7.04 **Persons Dealing With Holder**

No person dealing with the Holder or its agents or a Receiver shall be concerned to enquire whether an Event of Default shall have occurred and be continuing or whether the powers which the Holder is purporting to exercise have become exercisable or whether any moneys remain due upon the security of this Debenture or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Holder with the Mortgaged Premises or any part thereof, or to see to the application of any moneys paid to the Holder; and, in the absence of fraud on the part of such person, such dealing shall be deemed, so far as regards the safety and protection of such person, to be within the powers hereby conferred and to be valid and effectual accordingly.

7.05 **Holder Appointed Attorney**

The Company hereby irrevocably appoints the Holder to be the attorney of the Company and in its name and on its behalf to execute, deliver and do any deeds, transfers, conveyances, assignments, assurances, consents and things which the Company ought to sign, execute, deliver and do and has not executed, delivered or done, under the covenants and provisions contained in this Debenture and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred on the Holder, with full powers of substitution and revocation.

7.06 **Remedies Cumulative**

All powers and remedies given herein to the Holder shall, to the extent permitted by law, be deemed cumulative and not exclusive of, but in addition to, any other powers and remedies available to the Holder hereunder, by law, equity, statute, judicial proceedings or otherwise, to enforce the performance and observance of the covenants and agreements contained in this Debenture. No delay or omission of the Holder to exercise any right or power accruing upon any Event of Default occurring as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given herein or by law to the Holder may be exercised from time to time, and as often as shall be deemed expedient by the Holder.

7.07 **Against the Company**

The Company covenants and agrees with the Holder that, in case of any judicial or other proceedings to enforce the security hereby created, judgment may be rendered against it in favour of the Holder, for any amount which may remain due in respect of the Principal Sum of the Debenture, interest thereon and any other amounts owing under the Debenture after the application to the payment thereof of the proceeds of any sale of the Mortgaged Premises or any part thereof.

7.08 **Confirmatory Deeds**

In case of any sale of the Mortgaged Premises or any part thereof under the provisions of this Debenture, whether made under the power of sale herein contained by the Holder or pursuant to judicial proceedings, the Company agrees that it will execute and deliver to the purchaser on demand any instrument reasonably necessary to transfer, convey, assure or confirm to the purchaser the title to the Mortgaged Premises so sold; and, in case of any such sale, the Holder is hereby irrevocably authorized by the Company to execute on its behalf and in its name any such confirmatory instrument.

7.09 **Various Jurisdictions**

If any law specifically applicable to this Debenture or the transactions contemplated hereby or to instruments or transactions substantially similar hereto or thereto of any jurisdiction within which any foreclosure and sale hereunder is to be conducted shall provide for different or additional requirements than or to those specified herein as prerequisites to or incidental to such sale or foreclosure of the security hereby constituted or any part thereof, then the laws of each such jurisdiction shall be deemed to have been set forth herein at length, and any conflicting provisions hereof shall be disregarded, and the method of sale or foreclosure of the security hereby constituted required by any such laws shall, insofar as may be necessary, be substituted herein as the method of sale or foreclosure in lieu of that set forth above.

7.10 **Conflict - Applicable Law**

All rights, remedies and powers provided herein may be exercised only to the extent that the exercise thereof does not violate any mandatory provision of applicable law and all provisions of this Debenture are intended to be subject to all mandatory provisions of applicable law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Debenture invalid, unenforceable or not entitled to be recorded, registered or filed under the mandatory provisions of any applicable law. Any provision hereof contrary to mandatory provisions of applicable law shall be deemed to be ineffective and shall be severable from and not invalidate any other provision of this Debenture.

7.11 **Other Security**

The security herein created shall not affect or be affected by any other security now or hereafter held by the Holder to secure the Company's obligations or any part thereof secured hereby.

7.12 **Waiver of Company's Rights**

To the full extent that it may lawfully do so, the Company for itself and its successors and assigns hereby waives and disclaims any benefit of, and shall not have or assert any right under, any statute or rule of law pertaining to the marshalling of assets, discussion, division or other matter whatever, to defeat, reduce or affect the rights of the Holder under the terms of this Debenture or any Receiver to a sale of the Mortgaged Premises or any part thereof, for the collection of all amounts secured hereby (without any prior or different resort for collection). To the full extent that it may lawfully do so, the Company agrees that it shall not have or assert any right of equity of redemption or any right under any statute or otherwise to redeem the Mortgaged Premises or any part thereof after the sale hereunder whether by the Holder, any Receiver or otherwise.

**ARTICLE VIII
WAIVER**

8.01 **Waiver**

The Holder may waive any breach of any of the provisions contained in this Debenture or any default by the Company in the observance or performance of any covenant, condition or obligation required to be observed or performed by it under the terms of this Debenture. No waiver, consent, act or omission by the Holder shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom and no waiver or consent by the Holder shall bind the Holder unless it is in writing. The inspection or approval by the Holder of any document or matter or thing done by the Company shall not be deemed to be a warranty or holding out of the adequacy, effectiveness, validity or binding effect of such document, matter or thing or a waiver of the Company's obligations.

**ARTICLE IX
OTHER RIGHTS OF THE HOLDER**

9.01 **Holder May Pay or Perform**

The Holder may, but shall not be obliged to, pay and satisfy any monies or do any acts or things which the Company is required to do hereunder or under any security collateral hereto upon the Company's failure to do so including, without limiting the generality of the foregoing, payment of any costs of repairs, taxes, rates, insurance premiums, rents, encumbrances, legal and other professional fees or fines and the amount so paid and the costs and expenses so incurred and all costs, fees or commissions in connection with the collection of monies due hereunder or enforcement of the security hereby granted may be paid and satisfied from any unadvanced portion of the monies to be advanced hereunder or otherwise and any amount paid by the Holder shall be repayable forthwith and shall bear interest at the rate provided for herein and shall be secured by the charges herein contained; provided however that so long as the validity of any tax, lien or fine is diligently and in good faith contested by the Company, the Holder shall not pay the same if the Company shall satisfy the Holder and, if required, furnish security satisfactory to the Holder, that such contestation will involve no forfeiture of any part of the Mortgaged Premises.

9.02 **Holder May Compromise or Release**

If applicable, the Holder may compound, compromise or release any one or more guarantors, covenantors or sureties (if any) of the monies hereby secured, or any part of the Mortgaged Premises without releasing any other guarantors, covenantors or sureties, and without any liability to account to any guarantor, covenantor or surety, and without prejudice to the security herein.

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9.03 **Rights of Set-Off**

The Company acknowledges and agrees that the Principal Sum and the other obligations hereby secured shall be paid, satisfied and discharged to the Holder without regard to such dealings as may from time to time occur as between any one or more of the Holder, the Company and any other person and without regard to such equities or rights of set-off or counterclaim which may from time to time exist between any one or more of the Holder, the Company or any other person, and that the Principal Sum and other obligations hereby secured shall be paid without regard to any equities between the Company and the holder hereof or any set-off or cross-claims and the receipt of the Holder for the payment of the Principal Sum will be a good discharge to the Company in respect thereof.

**ARTICLE X
SECURITY PROVISIONS**

10.01 **Security Additional**

The security hereby created is in addition to and not in substitution for any other security now or hereafter held by the Holder for the obligations of the Company to the Holder, and this security shall not merge in any other security now or hereafter held by the Holder for the obligations of the Company to the Holder.

10.02 **Security Continuing**

Until this Debenture has been discharged, this Debenture and the charges hereby created shall be and remain valid and continuing security and shall cover and secure the payment of any and all indebtedness and liability, present and future, direct or indirect, absolute or contingent of the Company to the Holder, notwithstanding temporary payment of all or any portions of the monies hereby secured. Any such payment shall be deemed not to be a cancellation pro-tanto of this Debenture and any subsequent advance or re-advance by the Holder to the Company shall be secured hereby to the same extent as if such advance or re-advance had been made on the issue of this Debenture.

10.03 **No Merger**

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the obligation of the Company to pay the monies secured by this Debenture and shall not operate as a merger of any covenant in this Debenture, and the acceptance of any payment or alternate security shall not constitute or create a novation, and the taking of a judgment or judgments under a covenant herein contained shall not operate as a merger of those covenants and affect the Holder's right to interest under this Debenture.

10.04 **Extension of Security Interest**

It is understood and agreed that the Security Interest herein contained is intended to be a charge of all of the Company's right, title and interest in the Mortgaged Premises and each and every part thereof and if the right, title and interest of the Company in the Mortgaged Premises or any part thereof is renewed, extended or added to, then the Security Interest herein contained shall be extended to include and attach to the extended right, title and interest of the Company. All rights, properties, assets, undertakings and interests hereinafter acquired by the Company and all improvements, renewals, extensions or additions to the rights, properties, assets, undertakings and interests of the Company which by this Debenture are, or are intended to become, part of the Mortgaged Premises shall promptly upon the acquisition thereof by the Company, and without any further act on the part of the Company, become and be subject to the Security Interest as fully and completely as though now owned by the Company.

**ARTICLE XI
EXPROPRIATION**

11.01 Assignment of Proceeds

The Company hereby assigns to the Holder that portion of any proceeds which may become due and payable to the Company by an expropriating authority upon an expropriation of all or any part of the Mortgaged Premises, equal to the difference, if any, between all moneys secured by the Debenture at the date of expropriation, including principal, interest and other monies, and the compensation payable or paid to the Company for the expropriation of its interest in all or any part of the Mortgaged Premises by the expropriating authority.

11.02 Documentation

The Company shall forward to the Holder, copies of any documentation relating to an expropriation or a proposed expropriation of all or any part of the Mortgaged Premises, forthwith upon receipt of the said documentation by the Company.

11.03 Further Assurances

The Company shall execute and deliver any further or additional documentation which the Holder in its sole discretion deems necessary to effect the above assignment, or which is requested by the expropriating authority.

11.04 Certain Definitions

For the purposes of this Article 11 the "date of expropriation" shall mean the date the expropriating authority takes possession of all or any part of the Mortgaged Premises and "the expropriating authority" shall mean the Crown or any individual or entity empowered to acquire lands by expropriation pursuant to the provisions of the Expropriation Act, R.S.O. 1990, as amended from time to time, or such equivalent statute in any other jurisdiction wherein the Mortgaged Premises expropriated may be situate.

**ARTICLE XII
MISCELLANEOUS**

12.01 Time

Time shall be of the essence of this Debenture.

12.02 Corporate Changes

In the event that the Company should file Articles of Amendment or Amalgamation or undertake any corporate restructuring or reorganization, the result of which is to change the name of the Company, it shall, within seven (7) days of the effective date of such change, deliver written notice of the same together with particulars thereof (including a notarially certified copy of the instrument or instruments effecting such change) to the Holder with a copy to the Holder's solicitors, namely, Messrs. Holden Day Wilson, Suite 2400, Box 52, Toronto-Dominion Centre, Toronto, Ontario, M5K 1E7, Attention: Brian J. Johnson.

12.03 Governing Law

This Debenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario. The Company hereby irrevocably attorns to the jurisdiction of the Courts of the Province of Ontario.

12.04 **Severability**

If any one or more of the provisions or parts thereof contained in this Debenture should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Debenture in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Debenture in any other jurisdiction.

12.05 **Headings**

The headings of the articles, sections, subsections and clauses of this Debenture have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Debenture.

12.06 **Binding Effect**

This Debenture and all of its provisions shall enure to the benefit of the Holder, its successors and assigns, and shall be binding upon the Company and its successors and permitted assigns. The expression the "Holder" as used herein shall include the Holder's assigns whether immediate or derivative.

12.07 **Copy of Debenture**

The Company acknowledges receipt of an executed copy of this Debenture.

**ARTICLE XII
NOTICE**

13.01 **Notice**

Any notice, document or communication required or permitted by this Debenture to be given by a party hereto shall be in writing and is sufficiently given if delivered personally, or if sent by prepaid registered mail posted in Canada, or if transmitted by any form of recorded telecommunication tested prior to transmission, to such party addressed as follows:

- (a) to the Holder at:

Highway 101
Timmins, Ontario
P4N 7E7

Attention: Wallace Bradley

with a copy to:

Holden Day Wilson
Barristers & Solicitors
Suite 2400
Box 52
Toronto-Dominion Centre
Toronto, Ontario
M5K 1E7

Attention: Mr. B. Johnson
Telecopier: (416) 365-2848

(b) to the Company at:

Suite 501
155 University Avenue
Toronto, Ontario
M5H 3B7

Attention: Chairman
Telecopier: (416) 361-1333

with a copy to:

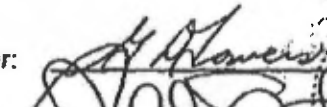
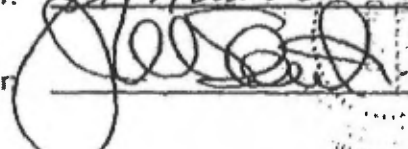

Armstrong, Schiralli, Dunne & Singer
Barristers & Solicitors
Suite 1400
141 Adelaide Street West
Toronto, Ontario
M5H 3L5

Attention: Ms. S. Cowan
Telecopier: (416) 863-1814

Notice so mailed shall be deemed to have been given on the third business day after deposit in a post office or public letter box. Neither party shall mail any notice, request or other communication hereunder during any period in which Canadian postal workers are on strike or if such strike is imminent and may reasonably be anticipated to affect the normal delivery of mail. Notice transmitted by a form of recorded telecommunication or delivered personally shall be deemed given on the day of transmission or personal delivery, as the case may be. Any party may from time to time notify the other in the manner provided herein of any change of address which thereafter, until change by like notice, shall be the address of such party for all purposes hereof.

IN WITNESS WHEREOF the Company has duly executed these presents under the hands of its proper officers in that behalf under its corporate seal by its duly authorized officers.

DEAK RESOURCES CORPORATION

Per: 
Per:  

29

SCHEDULE "A"

Continued from Box (6)

~~FIRSTLY:~~~~Pol 150 NND:~~~~SR of part of Mining Claims
HUB 28
Twp McGarry
Mun. of McGarry~~**SECONDLY:**Pol 3014 CST:SR of part of Mining Claim
L. 19984
Twp McGarry
Mun. of McGarry ✓**THIRDLY:**~~Pol 1607 SST:~~~~SR of Island "B"
situate in Larder Lake
Twp McGarry~~**FOURTHLY:**Pol 4951 CST:SR of part of Mining Claims
HUB 30, HUB 31, HS164, HS165 ✓
Twp McGarry
Mun. of McGarry**FIFTHLY:**~~Pol 5177 SST:~~~~SR of part of Island "T"
in Larder Lake
Twp McGarry~~**SIXTHLY:**~~Pol 6414 SST:~~~~SR of part of Island "R"
situate in Larder Lake
Twp McGarry~~**SEVENTHLY:**Pol 6417 CST:SR of part of Mining Claims
HUB 32, HUB 33, HS 135 ✓
Twp McGarry, Mun. of McGarry**EIGHTHLY:**Pol 6418 CST:SR of Lots 12, 36, 81, 201, 252, 253
Plan M-126
Twp McGarry
Mun. of McGarry**NINTHLY:**Pol 6419 CST:SR of Lot 296
Plan M-132
Twp McGarry
Mun. of McGarry

tab 0

This is Exhibit "O" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

FOR OFFICE USE ONLY

REGISTRATION / REGISTRATION

0294975
CERTIFICATE OF RECEIPT
RECEPISSE
TIMISKAMING (54) HAILEYBURY
96 NOV 12 PM 12:21

(1) Registry Land Titles (2) Page 1 of 7 pages

(3) Property Identifier(s) Block Property Additional: See Schedule

(4) Nature of Document
CERTIFICATE OF ACTION - SECTION 36
CONSTRUCTION LIEN ACT

(5) Consideration Dollars \$

(6) Description
The surface rights only to the following parcels:
Parcel 348 Centre Section Temiskaming
being Mining Claim L-5414 McGarry Township, Municipality of McGarry
Parcel 850 Nippising North Division
being part of Mining claim No. H.J.B. 1
McGarry Township, Municipality of McGarry
CON'D 2

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch (b) Schedule for: Description Additional Parties Other

Additional: See Schedule

Additional: See Schedule

(8) This Document provides as follows:
See Certificate of Action attached

Continued on Schedule

(9) This Document relates to instrument number(s) **0294280**

(10) Party(ies) (Set out Status or Interest)
Name(s) Signature(s) Date of Signature
Y M D
MCDOWELL BROTHERS INDUSTRIES INC. *Keith A. MacLaren* 1996 11 06
(Lien Claimant) By its solicitor

(11) Address for Service **2018 Kingway, Sudbury, Ontario P3B 4J8**

(12) Party(ies) (Set out Status or Interest)
Name(s) Signature(s) Date of Signature
Y M D
DEAK RESOURCES CORPORATION
(Owner)
GSR MINING CORPORATION
(Owner)

(13) Address for Service **c/o 205-155 University Avenue, Toronto, Ontario M5H 3B6**

(14) Municipal Address of Property **Kerr-Addison Mine**

(15) Document Prepared by:
MacLAREN & ASSOCIATES
Barristers & Solicitors
82 Centrepointe Drive
Nepean, Ontario
K2G 6B1
KMH

FOR OFFICE USE ONLY

Fees and Tax	
Registration Fee	50.00
Total	

SCHEDULE "A"

<u>PARCEL</u>	<u>CLAIM</u>	<u>TOWNSHIP</u>	<u>MUNICIPALITY</u>
1176CST ✓	L-6625	McGarry	McGarry
3014CST	<i>Pt.</i> L-19984 <i>2-5415</i>	McGarry	McGarry
4546CST	<i>Part</i> L-5414	McGarry	McGarry
4547CST ✓	Part L-6623	McGarry	McGarry
4548 CST ✓	Part L-6624	McGarry	McGarry
4603SST ✓	Island "S" in Larder Lake	McFadden	
4951CST ✓	Pt. HJB 30 & 31, Pt. Of HS 164 & 165	McGarry	Surface Rights Only - McGarry
5177SST ✓	Part of Island "T" in Larder Lake	McFadden	
5293CST ✓	L-31550	McGarry	McGarry
5294CST ✓	L-31551	McGarry	McGarry
5295CST ✓	L-31552	McGarry	McGarry
5296CST ✓	L-25854	McGarry	McGarry
5330CST ✓	L-24371	McGarry	McGarry
5331CST ✓	L-24181	McGarry	McGarry
6414SST ✓	Part of Island "R" Larder Lake	McFadden	
6417CST ✓	Part HJB 32 & 33 Part of HS 135	McGarry	Surface Rights Only - McGarry
6418CST	Lots 12, 36, 81, 89 , 100, 101, 201, 242, 253, <i>M-126</i>	McGarry	Surface Rights Only - McGarry
6419CST ✓	Lot 296, M-132	McGarry	Surface Rights Only - McGarry
7612CST ✓	Part H.J.B. 28	McGarry	Surface Rights Only - McGarry
7613CST ✓	Part H.J.B. 29	McGarry	Surface Rights Only - McGarry
7614CST ✓	Part of H.S. 133	McGarry	Surface Rights Only - McGarry
7616CST ✓	Part of H.S. 166	McGarry	Surface Rights Only - McGarry
7617CST ✓	Part H.F. 33	McGarry	Surface Rights Only - McGarry
7618CST ✓	H.F. 37	McGarry	Surface Rights Only - McGarry
7619CST ✓	Part LM3	McGarry	Surface Rights Only - McGarry
7620CST ✓	Part of A Fraction between H.F. 37 (T2018) & LM3 (T2178)	McGarry	Surface Rights Only - McGarry
7621CST ✓	L-25206	McGarry	Surface Rights Only - McGarry
7622CST ✓	L-25207	McGarry	Surface Rights Only - McGarry
7623CST ✓	Part L-27044	McGarry	Surface Rights Only - McGarry
7624CST ✓	Part L-30131	McGarry	Surface Rights Only - McGarry
7625CST ✓	Part L-30132	McGarry	Surface Rights Only - McGarry
7626CST ✓	Part L-30133	McGarry	Surface Rights Only - McGarry
7627CST ✓	Part L-31160	McGarry	Surface Rights Only - McGarry
7628CST ✓	Part L-31162	McGarry	Surface Rights Only - McGarry
7629CST ✓	L-36321	McGarry	Surface Rights Only - McGarry
7656CST	L-8863 (HS134)	McGarry	Surface Rights Only - McGarry
7736CST	Lots 339 , 419, 1010, 1011, 1012, 1013, 1014, 1015, 1019, 1020, 1021 & Part of Blocks B & F, Plan M-168	McGarry	Surface Rights Only - McGarry

-2-

<u>PARCEL</u>	<u>CLAIM</u>	<u>TOWNSHIP</u>	<u>MUNICIPALITY</u>
7821CST ✓	Lots 1016, 1017, 1018, Plan M-168	McGarry	Surface Rights Only - McGarry
8654CST ✓	Part H.F. 405, Part H.F. 406	McGarry	Surface Rights Only - McGarry
8655CST ✓	Part L-5413	McGarry	McGarry
8656CST ✓	Part H.S. 180 (L891)	McGarry	McGarry
9466CST ✓	L-42040	McGarry	McGarry
9467CST ✓	L-42041	McGarry	McGarry
9469CST ✓	L-25205	McGarry	McGarry
9470CST ✓	Part H.F. 404	McGarry	McGarry
6115CST ✓	L-39754	McGarry	McGarry

ONTARIO COURT (GENERAL DIVISION)
IN THE MATTER OF THE CONSTRUCTION LIEN ACT, R.S.O. 1990, c.C.30

BETWEEN:

McDOWELL BROTHERS INDUSTRIES INC.

Plaintiff

-and-



DEAK RESOURCES CORPORATION and
GSR MINING CORPORATION and
GWEN RESOURCES LIMITED and
A.J. PERRON GOLD CORP.

Defendants

CERTIFICATE OF ACTION

I CERTIFY that an action has been commenced in the Ontario Court (General Division) under the Construction Lien Act, 1990 between the above parties in respect of the premises contained in Schedule "A" to this Certificate, and relating to the Claim for Lien bearing the following registration number:

Instrument No. 0294280, registered in the Land Titles Office for the Land Titles Division of Timiskaming (No. 64) on September 25th, 1996.

SR

DATED: November 12, 1996

Shennie

SCHEDULE "A"

PARCEL	CLAIM	TOWNSHIP	MUNICIPALITY
✓ 1176CST	L-6625	McGarry	McGarry
✓ 3014CST	Part L-19984	McGarry	McGarry
✓ 4546CST	Part L-5415	McGarry	McGarry
✓ 4547CST	Part L-6623	McGarry	McGarry
✓ 4548 CST	Part L-6624	McGarry	McGarry
✓ 4603SST	Island "S" in Larder Lake	McFadden	
✓ 4951CST	Pt. HJB 30 & 31, Pt. Of HS 164 & 165	McGarry	Surface Rights Only - McGarry
✓ 5177SST	Part of Island "T" in Larder Lake	McFadden	
✓ 5293CST	L-31550	McGarry	McGarry
✓ 5294CST	L-31551	McGarry	McGarry
✓ 5295CST	L-31552	McGarry	McGarry
✓ 5296CST	L-25854	McGarry	McGarry
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✓ 5331CST	L-24181	McGarry	McGarry
✓ 6414SST	Part of Island "R" Larder Lake	McFadden	
✓ 6417CST	Part HJB 32 & 33 Part of HS 135	McGarry	Surface Rights Only - McGarry
✓ 6418CST	Lots 12, 36, 81, 201, 242, 253, M-126	McGarry	Surface Rights Only - McGarry
✓ 6419CST	Lot 296, M-132	McGarry	Surface Rights Only - McGarry
✓ 7612CST	Part H.J.B. 28	McGarry	Surface Rights Only - McGarry
✓ 7613CST	Part H.J.B. 29	McGarry	Surface Rights Only - McGarry
✓ 7614CST	Part of H.S. 133	McGarry	Surface Rights Only - McGarry
✓ 7616CST	Part of H.S. 166	McGarry	Surface Rights Only - McGarry
✓ 7617CST	Part H.F. 33	McGarry	Surface Rights Only - McGarry
✓ 7618CST	H.F. 37	McGarry	Surface Rights Only - McGarry
✓ 7619CST	Part LM3	McGarry	Surface Rights Only - McGarry
✓ 7620CST	Part of A Fraction between H.F. 37 (T2018) & LM3 (T2178)	McGarry	Surface Rights Only - McGarry
✓ 7621CST	L-25206	McGarry	Surface Rights Only - McGarry

<u>PARCEL</u>	<u>CLAIM</u>	<u>TOWNSHIP</u>	<u>MUNICIPALITY</u>
✓ 7622CST	L-25207	McGarry	Surface Rights Only - McGarry
✓ 7623CST	Part L-27044	McGarry	Surface Rights Only - McGarry
✓ 7624CST	Part L-30131	McGarry	Surface Rights Only - McGarry
✓ 7625CST	Part L-30132	McGarry	Surface Rights Only - McGarry
✓ 7626CST	Part L-30133	McGarry	Surface Rights Only - McGarry
✓ 7627CST	Part L-31160	McGarry	Surface Rights Only - McGarry
✓ 7628CST	Part L-31162	McGarry	Surface Rights Only - McGarry
✓ 7629CST	L-36321	McGarry	Surface Rights Only - McGarry
✓ 7656CST	L-8863 (HS134)	McGarry	Surface Rights Only - McGarry
✓ 7736CST	Lots 1010, 1011, 1012, 1013, 1014, 1015, 1019, 1020, 1021 & Part of Blocks B & F, Plan M-168	McGarry	Surface Rights Only - McGarry
✓ 7821CST	Lots 1016, 1017, 1018, Plan M-168	McGarry	Surface Rights Only - McGarry
✓ 8654CST	Part H.F. 405, Part H.F. 406	McGarry	Surface Rights Only - McGarry
✓ 8655CST	Part L-5413	McGarry	McGarry
✓ 8656CST	Part H.S. 180 (L891)	McGarry	McGarry
✓ 9466CST	L-42040	McGarry	McGarry
✓ 9467CST	L-42041	McGarry	McGarry
✓ 9469CST	L-25205	McGarry	McGarry
✓ 9470CST	Part H.F. 404	McGarry	McGarry
✓ 6115CST	L-39754	McGarry	McGarry

✓ 348CST L-5414

McGarry

McGarry

850 NND Part H.J.B 1

McGarry

McGarry ✓

AP.

BACKSHEET
(Form 4C under the Rules)

McDOWELL BROTHERS INDUSTRIES INC.

PLAINTIFF

and

DEAK RESOURCES CORPORATION *et al and Others*

DEFENDANT(S)

(Short title of proceeding)

Court file no. *2976196*

ONTARIO COURT (GENERAL DIVISION)
Proceeding commenced at *Ottawa Hullbury*
SR

CERTIFICATE OF ACTION
(Form 4C under the Rules)

DYE & DURHAM COMPUTERIZED FORMS SERVICE

Name, address and telephone number of solicitor or party

MacLAREN & ASSOCIATES
Barristers and Solicitors
82 Centrepoina Drive
Nepean, Ontario
K2G 6B1

Attention: Keith A. MacLaren

(613) 727-9852
8(613) 727-8709
Solicitors for the Plaintiff

Box #293

File #14257

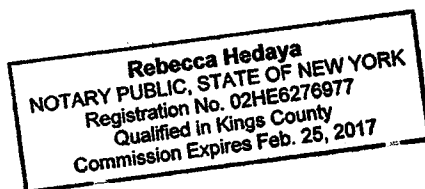
19.01

tab P

This is Exhibit "P" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public



MEMORANDUM OF AGREEMENT

B E T W E E N :

GSR ACQUISITION CORPORATION

"Tentative Employer"

- and -

KERR ADDISON EMPLOYEES' ASSOCIATION

"Union"

WHEREAS the United Steelworkers of America are presently in proceedings before the Ontario Labour Relations Board of Ontario to be the "Successor Union" to the above mentioned Union; and

WHEREAS the "Tentative Employer" has entered a proposal to acquire the "business" in the matter of Golden Shield Resources Ltd. in Bankruptcy; and

WHEREAS such proposal mentioned above is proceeding through the appropriate Bankruptcy steps so that approval can be issued;

The negotiating committees of the respective parties mentioned above agree to recommend to their respective principals the following:

1. Upon completion of the proceedings mentioned above, to enter into and sign a collective agreement on the following terms:

A) A new collective agreement, the contents of which shall contain the clauses of the expired collective agreement titled "Kerr Addison Mines Limited and Kerr Addison Employees' Association" with the following amendments:

(i) Parties

The Employer shall be GSR Acquisition Corporation or subsequent appropriate company and union shall be the United Steelworkers of America.

(ii) Term

The Agreement shall run from date of signing to January 31, 1991.

(iii) Wages

Effective on signing a general wage increase across-the-board to all classifications in the amount of sixty-five (65) cents per hour.

RJD
CD

(iv) (a) Appropriate amendments to reflect the "successor" representation by the USWA as well as any appropriate reflections to the definition of the bargaining unit for the operations which will be involved at the applicable sites.

(b) Appropriate amendments to reflect the "dues deduction" in accordance with USWA Constitution.

(v) Seniority

For purposes of the collective agreement (i.e. promotions, lay-offs, vacations, etc.), the collective agreement shall recognize all seniority accumulated by the employees under the previous employers (i.e. Kerr Addison and Golden Shield), however, such seniority shall not be applicable to statutory benefits (i.e. under Employment Standards Act, etc. for termination and severance). Such shall commence with the new collective agreement; however,

(vi) Amend 10.01(b) as follows:

"An employee will be retained on the seniority list for a maximum period of two (2) years. If the employee's seniority is less than one (1) year then his retained seniority will be equivalent to his actual seniority to the nearest full month. [For the purpose of this collective agreement, the parties agree that the "maximum two (2) years" recall rights shall apply to those employees who were members of the Local as of October 1, 1988.]

and did not receive appropriate notice and Severance pay]" RJD.

(vii) "Seniority of an employee shall be completely lost if he:

- (a) quits, or
- (b) is discharged for just cause, or
- (c) is laid off by the Company for a period in excess of two (2) years.
- (d) works for another employer while absent from his regular scheduled shift with the Company, unless the Company grants a leave of absence to perform such other work, or

(e) fails to give notice, or report for work upon being recalled within 14 days of notification.

(viii) Add new clause

Seniority will accumulate for all employees unless lost as set out above.

(ix) Severance Pay (s.10.12) is deleted.

(x) Deferred Profit Sharing Plan ("DPSP")

The new employer undertakes to establish a "DPSP" which shall be governed by the terms and conditions of that specific contract but shall contain within its terms the following:
(a) All previous employees of the "bankrupt company" receiving shares in the new company, as satisfaction for their claims as "unsecured creditors" shall be entitled to participate in the DPSP provided that:

i) All those employees covered by and maintaining rights under the collective agreement shall be entitled to use their previous seniority upon "cash-out" on

- retirement or termination provided that they tender their shares to the Trustee of the DPSP and have remained with the Company for a period of two (2) years consisting of two years of employment; or two years of recall rights; or two years consisting of a combination of both; and
- ii) The monies received under the conditions of (i) above shall be such as to provide at the end of two years or thereafter, no less than one week's salary for each year of service; and
 - iii) Those employees exercising the right to sell their shares on the "open market" as opposed to tendering to the Trustee for the DPSP shall be entitled to participate only to the extent of service in the new company.

It is understood that the shares and debentures distribution as outlined in the bankruptcy proposal shall serve as a security with the Trustee administering the DPSP.

(xi) Back to Work Agreement

The employer and the union recognize and agree with the principle of Seniority for the purpose of recalling individuals to their former employment, and insofar as this is appropriate the Employer undertakes to do so; however, it is also recognized that certain positions require particular skills which the Employer requires in the positions to make the enterprise viable. In those circumstances, the Employer shall choose the employees to fill those positions. In general, the following procedure will apply:

1. The Union and the Company shall ascertain the number of employees eligible for recall (in accordance with the amendments as per the Memorandum of Agreement) from the "Employee List" (to be ascertained by the parties).
2. The Company shall advise all parties concerned of the expected numbers required for recall, the expected times of recall, and the classifications and

functions required, including those classifications requiring special consideration.

3. A joint committee of the Company and the Union shall review the criteria outlined in paragraph 2., above, to determine the successful candidates for recall.

AGREED TO in Toronto this 29th day of November, 1989..


For GSR Acquisition Corporation

R. J. Dwyer (of Counsel)

William J. Dwyer
Anthony Clode
For the Kerr Addison
Employees Association and
United Steelworkers
~~Association~~ of America

RJD
AC

Amendment to Memorandum of Agreement

Re: Vacation Pay

- Those employees entitled to Vacation and/or Vacation Pay shall receive;

(1) the Five Hundred Dollars (\$500.00) they are entitled to under the Bankington proceedings; and

(2) exercise their option as to whether to receive

i) shares for the remaining amount; or

ii) choose a deferred vacation period or money equivalent at a later date beyond 1 year of 10/1/87

November 29, 1989

R. King (of Council)
for the Employer

Marcus [unclear]
[unclear] [unclear]

Nov 147
1527

tab Q

This is Exhibit "Q" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

Request ID: 018511200
Transaction ID: 59950461
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/12
Time Report Produced: 15:26:15
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
535607	GOLDEN SHIELD RESOURCES LTD.	1980/03/21
		Jurisdiction
		BR COLUMBIA
Corporation Type	Corporation Status	Former Jurisdiction
EP DOMESTIC WITH SHARE	REFER TO JURISDICTION	NOT APPLICABLE
Registered or Head Office Address	Date Amalgamated	Amalgamation Ind.
121 RICHMOND ST W.	NOT APPLICABLE	NOT APPLICABLE
Suite # 904	New Amal. Number	Notice Date
TORONTO	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		
CANADA M5H 2K6		Letter Date
Principal Place of Business in Ontario		NOT APPLICABLE
NOT AVAILABLE	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT AVAILABLE	NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 018511200
Transaction ID: 59950461
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Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/01/12
Time Report Produced: 15:26:15
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

535607

GOLDEN SHIELD RESOURCES LTD.

Corporate Name History

REFER TO JURISDICTION

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Last Document Recorded

Act/Code	Description	Form	Date
CIA	SN FAILURE TO FILE	6	1994/04/16

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

tab R

This is Exhibit "R" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

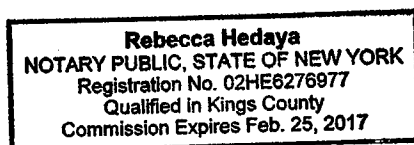
Notary Public

Rebecca Hedaya
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Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

This is Exhibit "Q" referred to in the Affidavit of Michael Berns sworn April 4, 2016

Rebecca Hedaya

Notary Public





**Bankruptcy and Insolvency Records Search Results |
Résultats de recherche dans le registre des dossiers de faillite et d'insolvabilité**

2016-01-12

Search Criteria | Critères de recherche : GOLDEN SHIELD RESOURCES LTD

Reference | Référence : 151036 SHANE

A search of the Office of the Superintendent of Bankruptcy records has revealed the following information, for the period 1978 to 2016-01-08, based on the search criteria above-mentioned.

Une recherche dans le registre du Bureau du surintendant des faillites a révélé l'information suivante, pour la période allant de 1978 au 2016-01-08, selon les critères de recherche susmentionnés.

Estate Number | Numéro du dossier : 31-232957
 Estate Name | Nom du dossier : GOLDEN SHIELD RESOURCES LTD
 Alias:
 Birth Date | Date de naissance : //
 Province : ONTARIO
 Address | Adresse : 121 RICHMOND ST W STE 904, TORONTO ONT, ONTARIO,
 M5H9O4
 Estate Type | Type de dossier : BANKRUPTCY | FAILLITE
 Date of Proceeding | Date de la procédure : 1989-07-04
 Total Liabilities* | Total du passif* : \$1.00
 Total Assets* | Total de l'actif* :
 First Meeting of Creditors | Première assemblée des créanciers : 1989-07-26 10:00
 Discharge Status | Statut de la libération :

Effective Date | Date d'entrée en vigueur : //
 Court Number | Numéro de cour : 00911 89

* As declared by debtor | Tel que déclaré par le débiteur

Appointed Trustee or Administrator |
 Syndic ou administrateur nommé : CLARKE HENNING INC.
 Responsible Person | Personne responsable : GELLATLY, DONALD MURRAY
 Address | Adresse : 45 BIRCHMOUNT ROAD, UNIT 4
 TORONTO, ONTARIO, M1N 3J5

Telephone | Téléphone : 416-698-3228
 Fax | Télécopieur : - -
 Trustee or Administrator's Discharge Date |
 Date de la libération du syndic ou de l'administrateur : 1999-01-13

tab S

This is Exhibit "S" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017



AJ PERRON
GOLD CORP.

1995 Annual Report

PRESIDENT'S MESSAGE

Report to Our Shareholders:

On behalf of the Board of Directors we are pleased to present this 1995 Annual Report, together with audited Financial Statements, for the year ended December 31, 1995.

STRATEGIC ALLIANCE

AJ Perron Gold in the form of a "strategic property alliance" negotiated to acquire a 50% interest in 968 mining claims held by the Perron Group, some for 3 family generations; the proposed transaction was clearly in the best interests of each company involved as it combined the relative strengths of the companies to result in a unique holding of exploration and production mining assets strategically situated in the heart of what is known as the "Golden Corridor" running from Timmins, Northern Ontario through to Val d'Or, Northern Quebec, the Golden Corridor comprising a major section of the Abitibi Greenstone Belt area considered to be likely the most prolific formation of its kind in the World. The Golden Corridor hosts several world class mines yielding to date 75% of Canada's bullion production or some 160 million ounces of gold which at US\$400/oz equals US\$64 Billion.

The respective Boards of Directors of each of the 4 alliance companies recommended the transaction be approved and it was their stated opinions that the alliance transaction was clearly in the best interests of each of the participating companies. In order to satisfy the Policies of the Ontario Securities Commission respecting non-arms's length transactions, and in particular Policy 9.1, and in order to comply with requirements of The Toronto Stock Exchange and other regulatory authorities, it was necessary, amongst other matters, that all directors serving on more than one of the respective Boards of the relevant companies and all cross shareholdings of the respective companies not be voted in respect of this transaction, due to a deemed underlying interest. At the respective Annual and Special Meetings of Shareholders of each of the companies held on July 4, 1995 the Disinterested Shareholder votes, that is, the vote excluding the votes of the controlling shareholders and of the connected directors of the four companies, were as follows:

<i>AJ Perron Gold Corp.</i>	<i>98.1 %</i>	<i>FOR</i>
<i>Gwen Resources Ltd.</i>	<i>99.6 %</i>	<i>FOR</i>
<i>Perrex Resources Inc.</i>	<i>99.7 %</i>	<i>FOR</i>
<i>The Alberta Gold Exploration Corporation</i>	<i>100.0 %</i>	<i>FOR</i>

In spite of this overwhelming positive disinterested Shareholder Vote, there was a unilaterally imposed regulatory denial. On November 27, 1995, The Toronto Stock Exchange notified AJP's corporate attorneys as follows:

"we hereby confirm that the Exchange has not accepted notice for filing (under Section 19.06 and 19.09 of the General By-Law of the Exchange) from AJP of the "Strategic Alliance" that is described in the AJP Information Circular dated June 1, 1995.

Accordingly, AJP may not proceed with the "Strategic Alliance" or with any transaction related thereto without the prior written consent of the Exchange.

We further confirm that the staff of the Office of the General Counsel of the Ontario Securities Commission support the position of the Exchange expressed herein."

PRESIDENT'S MESSAGE

In spite of unanimous approval by the Managements and Directors of each concerned Company and of the Independent Committee of Independent Directors, and the overwhelming approval of over 98% of the Disinterested Shareholder Vote, all as based on an independent arm's length evaluation of the Property Assets by an internationally recognized and accepted firm of consulting geologists and engineers specializing in the mining industry, The Toronto Stock Exchange has decided that the Valuation of the Property Assets is not acceptable for their purposes and has obtained the support of the Ontario Securities Commission to their decision.

The Management and Directors of the concerned Companies are of the opinion that the merits of the Strategic Alliance proposition could not have been comprehensively and adequately studied, absorbed and appreciated by the independent regulatory bodies commissioned to do so, in order for them to unilaterally ignore the overwhelming YES vote of the Shareholders and the expressed YES stated opinion of the Directors and Management of the 4 respective public companies; perhaps the shareholder opinions of small public companies cannot be heard over the din of the influential and supportive giants!

AJ PERRON GOLD CORP.

The Company's large gold mill, the Kerr Mill, is located at the centre of the Abitibi Greenstone Belt within economic trucking distance of a number of major prospective mineral deposits. The Company's main mine, the Kerr Mine, is located at the mill site in Virginiatown, Ontario. AJ Perron's three base metal and two other area gold deposits are all within 55 miles. The economies of scale of the large mill, combined with the rationalized operation of a portfolio of mines, easily makes 100 mile hauls economic. Higher environmental costs will make small single mine/mill complexes less attractive and increase the distances that ores will be economically transported.

AJ Perron's extensive Kerr milling and effluent treatment complex has an overall processing capacity of 4500 tons per day ("tpd") of ore based on three 1500 tpd circuits of which the No. 1 Circuit is fully functional and the No. 2 Circuit is presently on stream for specialized processing of complex materials at up to 600 tpd. The environmentally friendly state of the art patented Inco SO₂ effluent treatment plant is currently Government certified to treat 2200 tpd of material (with a minimum design capacity of 3000 tpd) enabling the unique clean processing of polluted ores and materials not able to be milled elsewhere; additionally, the approved Kerr waste tailings disposal entrapment is presently capable of handling a further 12 years of tailings at current production levels and is readily amenable to expansion: both are major tangible mining assets in these days of complicated and restrictive environmental control measures.

Financial Overview:

AJ Perron gold Corp. and its subsidiaries suffer from considerable inherited debt, primarily related to the Provincial Government of Ontario and its agencies. Since assumption of operation of these companies by the Perron Group the major portion of debts to Contractors have been satisfied and resolution of debts to Government are being sought. These large and visible problems dissuade investors as do the recent past losses of the Kerr Mine Operation, presently approaching a breakeven point. Profitable operation of the Kerr Mine, Mill, Effluent Treatment Plant and Tailings Entrapment Area simply require an infusion of capital for underground development and limited exploration and for minimal upgrading of the processing facilities, both in order to produce more ounces of gold. The fixed overhead operating costs are high, however when met, any addition of ounces or increase in the price of gold markedly accrue to the bottom profit line - perhaps to the tune of 75 to 80 percent.

PRESIDENT'S MESSAGE

Early 1995 Kerr Mine production was a great and almost terminal disappointment whereby underground development costs were high, mining production was far below projections as was ore grade due to the mixture of low grade development muck, and resultant ounces of gold were under target by some 30 to 40%. In March and April a thorough study of the Kerr Mine was performed with the aid of an independent consultant and it was determined that this mining operation was salvageable but only if drastic changes were immediately implemented. As a result two top management and supervisory positions were immediately vacated, manpower was reduced and new mining plans were initiated. During the ensuing months mining production per man was essentially doubled as the underground management team was restructured with replacement and reshuffling of key personnel. Infusion of capital has been attained on a modest basis and financing has become a continuous endeavour; however, the Kerr mining and milling operations are finally reaching a breakeven plateau and projections for late 1996 and early 1997 are positive as are projections for the future, which do require the raising of exploration and development funds. The burgeoning price of gold will also make a very positive contribution.

During the month of December, production averaged 81 ounces of gold per day, the operational break-even range. The production targeted for early 1996 was not attained due to lack of expected financing with a consequent drain on supplies, materials, and morale, further aggravated by severe abnormal and prolonged winter conditions, the combination of which curtailed development, tonnage, grade and resultant ounces. A sufficient infusion of funding should allow minimum production of 140 ounces per day or 50,000 ounces per year, bearing in mind that the prognosis for future gold bullion price increases is becoming pervasive and persuasive.

The Kerr Complex continues to process and treat some 6,000 tons a year of "slag material" shipped from New York State by Sabin Metal Corporation, the largest privately owned precious metal refiner in the United States, Kerr having the necessary sophisticated facilities capable of efficiently and effectively handling this material.

Mine Sustainability:

Planned development of the Kerr Mine has greatly been impaired by the lack of interest in the resource industries in Canada and in the case of mining, by the formidable and often indeterminable environmental, reclamation and closure costs regulated on the industry, leading to and allowing for the essentially complete disregard by Canadian Banks and other similar financial institutions to the pleadings for financing so necessary for mine development, production and ongoing working capital requirements. Other potential sources of equity and loan financing are similarly infected, fully inclusive of Government sponsored Labour Venture Capital Funds dependent on income tax break funding. This lack of funding has led to the inability of the Mine to acquire development funds so necessary to increase tonnage and grade of ore material at the Mine to a level to sustain profitable production, which can be attained. The Kerr Mine, with a reasonable infusion of capital, is ultimately conservatively capable of production of 100,000 ounces of gold per annum for a sustained future period as coincident exploration proves up further ore reserves; based on present mineral inventory of 4,998,970 tons at a grade of 0.139 oz./ton this would mean 693,242 ounces of gold or say a ten year life as production goals are achieved, without considering approximately 100,000 ounces on the Arntfield Property, some 400,000 ounces in presently evaluated potential zones in the Kerr and adjoining Chesterville Mine, some 60,000 ounces on the Buffonta Property and ignoring the highly prospective properties in the Harker-Holloway Gold Camp.

It is to be well noted that the Kerr production during the 1950's averaged over 4,500 tons per day with an exceptional grade in the range of .30 ounces of gold per ton or 1,350 ounces at C\$550 equals C\$742,500 per day; it is highly probable that a considerable tonnage of similar grade ore remains to be discovered.

PRESIDENT'S MESSAGE

Environmental Discussion:

Fortuitously, the Kerr tailings storage basin was originally located in an area totally enclosed by a rock ridge such that perhaps a further 50,000,000 tons could be deposited in this basin without any dam building required. Not only is this the lowest cost tailings placement possible, it provides for environmentally secure and permanent reclamation. The Kerr site will not require perpetual management of any structures or discharges and will probably become a case history, illustrating the desirable, if not mandatory, features for future tailings locations. During 1994 and 1995 the tailings area has been upgraded to handle tailings storage for a further 10 years at current production rates.

Complementing the excellent tailings site is the ultra-modern large flexible effluent treatment plant which enables AJ Perron to safely and economically process any of the diverse ores in the region. The tailings site/treatment plant combination is unique and provides AJ Perron with a significant competitive advantage in securing custom milling contracts and in acquiring desirable gold deposits in the area. Rather than a liability, AJ Perron's treatment plant and tailings site are a major asset.

EXPLORATION POTENTIAL

GOLD

Kerr/Chesterville Mines

Since January of 1996 an additional 310,000 tons at .11 oz/ton gold has been discovered in the proven and probable categories. This includes new lenses in the green carbonate zone between the 2050 to 1100 levels and flow ore between the 2200 to 1400 levels. The recent discoveries of these zones signify the enormous economic potential of these two mines.

Green Giant Zone just North of the main shaft is presently under development and further exploration. In the hanging wall of green carbonates, partially explored, it has ore potential from the 300 level down to the 1600 level with excellent exploration targets which are currently being investigated.

Cyprus South Mine Zones are a series of lower grade flow horizons parallel to and south of the Kerr structures. These zones extend over 1 mile across the Kerr Property and to a depth of at least 4000 feet and lie just several hundred feet south of the main Kerr shaft. The zones were not followed up in the highgrade years of the Kerr operation as they fell below the very high cut-off grade used at the time. Drilling by Cyprus under its former joint venture with Deak has outlined some 2 million tons of ore at a grade of .198 or approximately 206,000 ounces of gold. It is planned to commence a development drift to initiate mining and further definition and exploration of this potentially large deposit.

Boundary Zone located on the Kerr and Chesterville Mine boundary which is now under development for the commencement of mining and which requires extended exploration in order to determine the magnitude and grade of this ore zone which is expected to be significant.

Golden Dragon Zone in the East Chesterville Mine area where a drift has been extended on the Kerr 2650 foot level in order to confirm grade and continuity of this drill indicated carbonate structure which begins below the 16th level and is open to depth.

Based on extrapolation of the Kerr experience the Chesterville targets are considered to be no less than repeats of the original Kerr deposits.

PRESIDENT'S MESSAGE

Perron Group

The affiliated Perron Group companies provide for years of exploration on their respective holdings in the Harker Holloway Gold Camp situated on the Porcupine/Destor Break which forms an integral and prime producing section of the Abitibi-Greenstone Belt and Golden Corridor and consequently which provides unlimited possibilities for world class discoveries such as the new Hemlo Gold Holloway Mine and its neighbouring Barrick Gold Holt-McDermott Mine, both mining in the Harker Holloway Gold Camp on ground adjoining the Perron Group properties; additionally, key properties are held in the Boston Creek and Temagami areas, well known high priority mineral exploration areas in which many of the major mining companies are presently involved.

AJ Perron's planned and inevitable growth in gold production and custom milling revenue, and the resultant earnings, could be propelled dramatically by exploration success on any of these Mineral Property Assets.

BASE METALS

As appropriate for these economic times, AJ Perron's main focus is on gold and the burgeoning gold price. However, AJ Perron's assembly of economic base metal deposits in the Noranda area provide a further and complementary avenue for immediate growth. Base metal prices are on the rebound and the Company is actively studying production possibilities for its base metal holdings..

Recognizing the cyclical nature of the mining business, the Company has taken steps to diversify its asset base by assembling a major package of base metal projects which can be brought to production in a few months. Mostly located in the Rouyn/Noranda area, 40 kilometres from the Kerr Mill, the three deposits contain a mineral inventory of 6.2 million tons of zinc/copper ore with significant gold and silver credits. Two of the three properties are previous producers. Engineering and feasibility studies have been completed indicating profitability at current metal prices with reserves sufficient to provide production of 1,000 to 1,700 tons per day for a period of ten years.

Aside from their known reserves, these properties also constitute an exciting base metal exploration play on strike and at depth. Canadian mining history shows that orebodies occur in clusters and recent exploration successes such as that of Audrey Resources and Aur/Louvem show that the application of modern geological concepts and exploration methods continue to find new orebodies along the highly mineralized Cadillac/Larder and Porcupine/Destor breaks, the most productive mineral structures in North America. AJ Perron believes that exploration on these properties has a high probability of finding extensions to an already significant mineral inventory.

SUMMARY

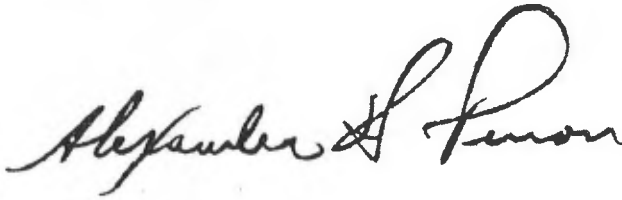
Several financing arrangements are in progress which should adequately meet current mine development requirements for production and also allow for planned exploration programs, both underground and on surface. On June 20, 1996 a "Letter Of Intent" was concluded by the Company and Gwen Resources Ltd. ("Gwen") with a U.S. company specializing in the acquisition, mining and production of precious metals, primarily gold. The letter of intent provides for an overall infusion of U.S. \$20 million with effectively at least U.S. \$17 million being earmarked for the Company, subject to satisfaction of certain conditions and regulatory approvals. The infusion of funds is primarily directed to both an immediate and long-term enhancement of production of gold at the Kerr Mine and Mill Complex by exploration, ore development

PRESIDENT'S MESSAGE

and extraction and upgrading of the mill and related facilities. Funds are also available for exploration and acquisition of other promising mineral properties. U.S. \$14 million of the capital infusion is planned to take the form of Secured Preferred Participating Convertible shares with U.S. \$7 million being repayable by the end of each of the 15th and 20th year from the date of issue. The Investor shall have a participating irrevocable Net Profit Interest of 25% and shall be granted the right of first refusal to purchase any and all precious metals produced and acquired by the Company. The Investor will also seek a seat on the Board Of Directors of the Company.

We would like to take this opportunity to thank our Shareholders, Directors and Employees for their loyalty and contributions, and especially to thank the Northern Ontario Heritage Fund Corporation for their continuing support and the United Steelworkers of America for their help and cooperation.

Most Sincerely,

A handwritten signature in cursive script, reading "Alexander H. Perron". The signature is written in black ink and is positioned above the typed name and title.

*Alexander H. Perron,
Chairman, President & Chief Executive Officer*

June 20 , 1996

Virginiatown, Ontario

MANAGEMENT'S DISCUSSION AND ANALYSIS

Summary of Financial Results

Net loss in 1995 was \$5.2 million (\$0.06 per share) compared to the previous year's net loss of \$5.6 million (\$0.08 per share). The 1994 loss includes an amount of \$2.6 million for write-downs of mineral property interests. Operating loss for the year was \$4.0 million compared to an operating loss of \$1.8 million in 1994. Operations used cash of \$3.0 in 1995 compared to \$2.2 in 1994.

AJ Perron Gold's operating activities include gold ore production from its Kerr mine and custom milling revenue generated by processing gold ore from third parties at the Kerr mill. The viability of these major assets is dependent on the Company's ability to compete for third party ore, its capacity to finance the development of its ore reserves at the Kerr mine and other Company properties, and its ability to acquire properties which otherwise would not be economical without the milling complex available to AJ Perron Gold.

Revenue

AJ Perron Gold generates its revenue from the sale of gold and from custom milling tolls. In 1995, the sale of 22,092 ounces of gold produced at Kerr Mine produced revenue of \$11.6 million compared to \$11.7 million from 21,453 ounces of gold in 1994. The average Cdn. dollar sale price for gold in 1995 was \$526.78 per oz compared to \$545.85 in 1994. Custom milling revenues were increased to \$.3 million compared to \$.2 million in 1994 reflecting a marginal increase.

Operating Costs and Expenses

Operating costs for 1995 were \$12.4 million compared to \$10.4 in 1994, a \$2.0 million increase whereas gross revenues in 1995 were \$11.9 million, the same as for 1994. The operating cost per oz of gold for 1995 has increased by 15% to \$608.58 \$Cdn. Depreciation and amortization charges were \$.9 million compared to \$.8 million in 1994.

Working capital deficiencies in 1995 continued to restrict the ability of the operation to develop and mine new zones underground in a manner to allow the operation to achieve maximum mill throughput.

Capital Expenditures

Additions to property, plant and equipment in 1995 were \$224,589 compared to \$347,731 in 1994.

Corporate Liquidity

The company has a consolidated working capital deficit of \$12.2 at the end of 1995 compared to \$7.8 million in 1994.

The most significant portion of the Company's long-term debt rests with the Northern Ontario Heritage Fund Corporation ("NOHFC") and an interest free repayable grant from FedNor, a Federal agency. Effective December 31, 1994, NOHFC restructured its financial guarantee support for the Company allowing for a further three years without a reduction in the amount of guarantee funds and thereafter a reduction over ten years in equal yearly amounts, allowing for a full withdrawal by the end of the ten year period. Continued support of these agencies and of the Company's shareholders and creditors is essential to the success of the Company during these financially trying times.

Outlook

The Company's future profitability is dependent on world prices for gold and base metals and on the Company's ability to continue its expansion mode to generate higher levels of production, both internally

MANAGEMENT'S DISCUSSION AND ANALYSIS

and by custom milling and/or mining, and thereby benefit from the associated economies of scale. The prediction for world gold prices is upward and reputable and recognized institutions are forecasting a price in the range of U.S. \$410 per oz. of gold in latter 1996 and upwards of U.S. \$425 in 1997.

Minimal capital expenditures in the Kerr Mill of less than \$500,000 will serve to upgrade Circuit #1 and Circuit #2 to allow for overall ore processing of up to 2,000 tons per day and enhanced recoveries. Staged underground development at the Kerr Mine, in an amount of some \$1 million, should quickly increase production to an initial minimum of 6,000 tons per week, increasing to 8,400 tons per week on completion. Conclusion of any of the several custom milling negotiations taking place will add 300 to 500 tons of ore treatment per day, all contributing to a positive cash flow and profit.

Finally, Management expects to conclude ongoing financing and restructuring efforts in the near future in order to realize the planned positive cash flow and profitable results expected.

MINERAL INVENTORY (Diluted)					
	TONS	O.P.T. GOLD	O.P.T. SILVER	% COPPER	% ZINC
GOLD INVENTORY					
Kerr Mine					
Reserves					
- Proven & Probable	648,570	0.114			
- Possible	1,299,400	0.124			
Resources	1,701,000	0.170			
Potential	<u>1,350,000</u>	<u>0.124</u>			
Total	<u>4,998,970</u>	<u>0.139</u>			
	\$U.S. @ \$400 per oz. of Gold: 4,998,970 x 0.139 x \$400 = U.S. \$277,942,732				
Arntfield	698,000	0.141			
BASE METAL INVENTORY					
Magusi					
West Zinc Zone	857,958	0.066	1.06	0.34	7.29
East Zinc Zone	228,179	0.020	0.35	0.28	5.28
F-W Copper Zone	1,625,303	0.010	0.97	3.00	0.17
Hebecourt	1,221,000			2.80	
Aldermac	1,514,000	0.016	1.02	1.80	4.60

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management is responsible for the preparation of the consolidated financial statements and other financial information relating to the Company included in this annual report. Management keeps an internal control system that offers reasonable assurance whether the financial information is reliable.

Ross, Pope & Company, our independent auditors, are engaged to express a professional opinion on the consolidated financial statements. Their examination is conducted in accordance with generally accepted auditing standards and includes tests and other procedures which allow the auditors to report whether the consolidated financial statements prepared by management are presented in accordance with generally accepted accounting principles.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board has appointed an Audit Committee composed of three directors, two of whom are not members of management.

On the recommendation of the Audit Committee, the Board of Directors has approved the Company's consolidated financial statements.

Alexander H. Perron
President

This 20th day of June, 1996

AUDITORS' REPORT

To the Shareholders of AJ Perron Gold Corp.

We have audited the consolidated balance sheets of AJ Perron Gold Corp. as at December 31, 1995 and 1994 and the consolidated statements of loss and deficit, and changes in financial position for each of the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1995 and 1994 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Kirkland Lake, Ontario
June 20th, 1996

ROSS, POPE & COMPANY
CHARTERED ACCOUNTANTS

**CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31**

Assets		
	<u>1995</u>	<u>1994</u>
Current Assets		
Cash	\$ -	\$ 174,459
Accounts receivable and prepaid expenses (Note 3)	1,289,067	1,333,550
Inventory	550,551	475,998
Deposits	58,216	75,370
Restricted term deposit (Note 5)	-	18,800,000
	<u>1,897,834</u>	<u>20,859,377</u>
Long-term notes receivable (Note 4)	17,193,000	5,022,000
Capital Assets (Notes 2 & 8)	3,578,451	4,026,101
Deferred charges and other assets (Note 7)	258,381	554,302
Mineral Properties and Related Expenditures (Notes 2 & 8)	11,918,620	11,634,754
	<u>32,948,452</u>	<u>21,237,157</u>
	<u>\$ 34,846,286</u>	<u>\$ 42,096,534</u>
Liabilities		
Current Liabilities		
Bank Indebtedness (Note 9)	\$ 223,968	\$ -
Accounts payable and accrued liabilities	10,683,134	9,380,540
Secured debentures (Note 5)	-	18,800,000
Current portion of long-term debt (Note 10)	3,196,808	450,000
	<u>14,103,910</u>	<u>28,630,540</u>
Deferred Royalty Income (Note 4)	21,000,000	6,200,000
Long-term debt (Note 10)	6,206,846	8,953,781
Minority Interest	1,200,250	1,200,250
Commitments, contingencies and subsequent events (Notes 1, 16, 18 & 20)		
Shareholders' Equity		
Share Capital (Notes 6, 11, 12 & 20)	22,981,651	22,513,492
Deficit	(30,646,371)	(25,401,529)
	<u>(7,664,720)</u>	<u>(2,888,037)</u>
	<u>\$ 34,846,286</u>	<u>\$ 42,096,534</u>

Approved on Behalf of the Board:

Alexander H. Perron, Director
(see accompanying notes)

John E. Perron, Director

**CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
YEARS ENDED DECEMBER 31**

	<u>1995</u>	<u>1994</u>
Revenue		
Gold sales	\$ 11,637,901	\$ 11,710,251
Custom milling	299,302	212,563
	<u>11,937,203</u>	<u>11,922,814</u>
Expenses		
Operating	12,414,640	10,374,154
Administrative	2,571,314	2,553,064
Depreciation and amortization	910,859	804,595
	<u>15,896,813</u>	<u>13,731,813</u>
Loss from Operations	<u>(3,959,610)</u>	<u>(1,808,999)</u>
Other Income (Expenses)		
Interest	(477,174)	(327,791)
Finance costs	(808,058)	(809,474)
Abandonment of mineral properties	-	(2,633,169)
Exploration	-	(37,798)
	<u>(1,285,232)</u>	<u>(3,808,232)</u>
Net Loss	<u>(5,244,842)</u>	<u>(5,617,231)</u>
Deficit, Beginning of Year	(25,401,529)	(18,562,298)
Prior period adjustment (Note 10(e))	-	(1,222,000)
Deficit, End of Year	<u>\$ (30,646,371)</u>	<u>\$ (25,401,529)</u>
Loss Per Share (Note 14)	<u>\$ (0.06)</u>	<u>\$ (0.08)</u>

(see accompanying notes)

**CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31**

	<u>1995</u>	<u>1994</u>
Operating Activities		
Loss for year	\$ (5,244,842)	\$ (5,617,231)
Add items not requiring a cash outlay		
Abandonment of mineral properties	-	2,633,169
Depreciation and amortization	910,859	804,595
	<u>(4,333,983)</u>	<u>(2,179,467)</u>
Changes in non-cash working capital balances	<u>1,289,678</u>	<u>(54,945)</u>
Cash Used In Operating Activities	<u>(3,044,305)</u>	<u>(2,234,412)</u>
Investing Activities		
Acquisition of capital assets and mineral properties	(747,074)	(2,024,012)
Deferred charges and other assets	295,921	129,440
	<u>(451,153)</u>	<u>(1,894,572)</u>
Cash Used In Investing Activities	<u>(451,153)</u>	<u>(1,894,572)</u>
Financing Activities		
Loans	(128)	(509,863)
Issuance of share capital	468,159	2,551,449
Minority Interest	-	1,200,250
Long-term loans receivable	(12,171,000)	(4,909,700)
Deferred Royalty Income	14,800,000	6,200,000
	<u>3,097,031</u>	<u>4,532,136</u>
Cash Provided By Financing Activities	<u>3,097,031</u>	<u>4,532,136</u>
Increase (Decrease) in Cash	<u>(398,427)</u>	<u>403,152</u>
Cash, (Deficiency) beginning of year	<u>174,459</u>	<u>(228,693)</u>
Cash, (Deficiency) end of year	<u>\$ (223,968)</u>	<u>\$ 174,459</u>

(see accompanying notes)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which presumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. However, the Company has a working capital deficiency after a net loss of \$5,244,842 in fiscal 1995 (1994 - \$5,617,231) and at December 31, 1995 its deficit was \$30,646,371 (1994 - \$25,401,529).

The Company's continuance as a going concern is dependent upon the Company's ability to obtain adequate financing and to recover capitalized costs through the profitable production from properties and/or the proceeds of disposition thereof.

The financial statements do not give effect to any adjustments to the amount of assets and liabilities that might be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the ordinary course of business.

2. Summary of Significant Accounting Policies

The accompanying consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in Canada. The principal accounting policies used in the preparation of these consolidated financial statements are summarized hereunder to facilitate review of the consolidated financial statements.

(i) Basis of Consolidation

The consolidated financial statements include, on a consolidated basis, the accounts of AJ Perron Gold Corp. ("the Company")(formerly Deak Resources Corp.), its wholly owned subsidiary company, GSR Acquisition Corporation ("Acquisition"), Acquisition's 77% owned subsidiary company, GSR Mining Corporation ("GSR"), GSR's 99% owned Kerr Jex Corporation, and a proportionate share of the accounts of a joint venture in which both the Company and GSR have a 50% interest.

Certain of the Company's activities are conducted jointly with others. These financial statements reflect only the Company's proportionate interest in such activities.

(ii) Inventories

Gold is valued at estimated net realizable value when it reaches a saleable form.

(iii) Property, Plant and Equipment

Plant, buildings and equipment are recorded at cost. Depreciation is calculated over their estimated useful lives as follows:

Plant and equipment:	10% Straight-line
Office equipment:	20% Declining-balance

Expenditures on the acquisition and development of mineral properties are recorded at cost and deferred. When commercial production from a particular property or working interest begins, deferred costs are amortized over the life of the estimated ore reserves through unit of production depletion. When it is determined that work on a particular property or working interest will be discontinued or abandoned, the related costs are charged to current operations. The realization of the carrying value of non producing mineral properties is dependent upon the future commercial success of these properties or the proceeds from disposition thereof.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(iv) Deferred Charges

Costs associated with obtaining long-term asset financing are deferred and amortized over the term of the financing obtained according to the related repayment schedule; costs for short-term working capital financing are expensed as incurred.

(v) Flow-Through Shares

The Company finances a certain portion of its exploration programs with flow-through common share issues. Under this type of financing arrangement, the proceeds are used to fund exploration work within a defined time period. Shares are issued to the investors and the income tax deductions related to these exploration expenditures are renounced to the investors.

Proceeds from common shares issued pursuant to flow-through, including any premiums paid for tax deductions transferred and any grants received, are credited to capital stock. The portion of the proceeds, if any, that represent the right to receive a government grant once qualifying exploration expenditures are made, is recorded as a receivable if the Company will retain the grant and there is reasonable assurance that such grant will be received.

3. Accounts Receivable and Prepaid Expenses

	1995	1994
Gold sales	\$ 170,798	\$ 14,000
Royalty Sales (Note 4)	850,000	1,178,000
GST	89,946	62,636
Other	178,323	78,914
	<u>\$ 1,289,067</u>	<u>\$ 1,333,550</u>

4. Deferred Royalty Income

	1995	1994
Hebecourt Property	\$ 6,200,000	\$ 6,200,000
Hebecourt Property	2,600,000	-
Kerr Property	12,200,000	-
	<u>\$ 21,000,000</u>	<u>\$ 6,200,000</u>

(i) Hebecourt Properties

Pursuant to a "Sale of Royalty" Agreement dated December 31, 1994 the company sold for \$6,200,000 a net proceeds of production royalty interest in the production from its Hebecourt base metals property located in Northwestern Quebec equal to 50 percent of the net proceeds of production from the Mine during the next twenty years and subject to an increase to 90 percent thereafter and to certain other terms and conditions. Under terms of the Agreement and subsequent arrangements \$1,178,000 has been settled with the Company as of December 31, 1995 and the balance of \$5,022,000 comprises a 12 percent 20 year promissory note.

Pursuant to a "Sale of Royalty" Agreement dated March 31, 1995 the Company sold for \$2,600,000 a net proceeds of production royalty interest in the production from the Hebecourt Property equal to 21 percent of the net proceeds of production from the Mine to December 30, 2014 and thereafter to increase to 36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

percent and subject to certain other terms and conditions. Under terms of the Agreement and subsequent arrangements \$494,000 has been settled with the Company as of December 31, 1995 and the balance of \$2,106,000 comprises a 12 percent 20 year promissory note.

The Hebecourt Property has not yet been placed in production and as a result certain conditions of the agreements such as the proposed production date and commencement of interest on the promissory notes have been extended. It is contemplated that the two royalties on the Hebecourt Property will be combined and have similar terms.

(ii) Kerr Property

Pursuant to a Royalty Agreement dated August 31, 1995 the Company granted for \$12,200,000 an undivided proportionate interest in and right to the minerals located on the Kerr Mining Claims and production therefrom to the extent of a royalty interest, comprised of royalty units, of 10.5 percent of the net smelter returns for the production period ending September 30, 2000, a royalty interest of 12 percent for the ensuing period to September 30, 2005, and a royalty interest of 15 percent for the ensuing period until Payout of any royalty unit. Payout shall occur with respect to any royalty unit when the net present value of royalty payments for all of the initial royalty units, discounted at 14%, is equal to \$9,871,000. Under terms of the Agreement and subsequent arrangements \$2,135,000 has been settled with the Company as of December 31, 1995 and the balance of \$10,065,000 comprises a 12 percent 10 year promissory note. Royalties in an amount of \$452,940 for the period of September 1 to December 31, 1995 have been settled in 1996 and have been offset in these financial statements by interest receivable.

Long-term notes receivable

	1995	1994
Hebecourt Property	\$ 5,022,000	\$ 5,022,000
Hebecourt Property	2,106,000	-
Kerr Property	10,065,000	-
	<u>\$ 17,193,000</u>	<u>\$ 5,022,000</u>

5. Restricted Term Deposit

In March of 1994 the Company and its direct and indirect subsidiaries, GSR Mining Corporation ("GSR") and Kerr Jex Corporation, completed a financing agreement which raised \$1,200,000 in non-dilutive financing and \$800,000 in convertible debenture financing (Note 10(a)). Under this financing, the Company's subsidiary, GSR Mining Corporation, disposed of its interest in the Kerr Mine property to Kerr Jex Corporation (a 99% owned subsidiary of GSR) for \$20,000,000. To finance this purchase Kerr Jex Corporation issued a combination of debentures, preferred shares and common shares.

In connection with this financing agreement the Investors advanced an aggregate principal amount of \$18,800,000, evidenced by debentures of Kerr Jex Corporation guaranteed by GSR. As security for the debentures and guarantees GSR delivered to the Investors irrevocable letters of credit for the full amount of the indebtedness thereunder and placed the \$18,800,000 in a restricted term deposit pledged as security for the letters of credit. During 1995 the term deposit was used to retire the advance of \$18,800,000 and the corresponding debentures, guarantees and letters of credit were retired therewith.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. Long-term Share Purchase Loan

Under an Incentive Stock Option Plan (the "Plan") (Note 12), the Company makes loans to certain individuals to allow them to exercise share purchase options granted by the Company. These loans are secured with an interest free promissory note and the shares are held by a trustee until such time as the promissory note is repaid. At the end of fiscal 1995, the Company had loaned \$970,970 (1994 - \$970,970) under the plan to purchase a total of 4,355,105 shares at an average of \$0.23 per share (Note 11).

7. Deferred Charges and Other Assets

	1995	1994
Deferred charges (net of amortization)	\$ 146,005	\$ 291,925
Other assets, Hydro deposit	112,376	262,377
	<u>\$ 258,381</u>	<u>\$ 554,302</u>

Finance costs are being amortized on the same basis as the repayment terms of the loans obtained. (Note 10 (d)).

8. Capital Assets

	1995	1994
Mine	\$ 594,002	\$ 529,002
Mill	5,612,256	5,501,129
Other	131,837	131,837
	<u>6,338,095</u>	<u>6,161,968</u>
Less accumulated depreciation	<u>2,759,644</u>	<u>2,135,867</u>
	3,578,451	4,026,101
Mineral properties and deferred exploration and development costs net of accumulated amortization	<u>11,918,620</u>	<u>11,634,754</u>
	<u>\$ 15,497,071</u>	<u>\$ 15,660,855</u>

9. Bank Indebtedness

	1995	1994
Bank indebtedness	<u>\$ 223,968</u>	<u>\$ 0</u>

Bank indebtedness is comprised of outstanding cheques totalling \$225,350 at December 31, 1995 and net bank balances of which an amount of \$87,065 (Note 20 (b)) is secured by a general assignment of accounts receivable under a general security agreement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Long-term Debt

	1995	1994
Convertible debentures	\$ -	\$ 800,000
Notes payable	344,000	344,000
Debentures and advances	367,827	1,927,662
Government guaranteed loans	4,763,019	4,910,119
Past severance pay	732,000	972,000
	<u>\$ 6,206,846</u>	<u>\$ 8,953,781</u>

(a) Convertible Debenture

The convertible debentures are convertible into 3,200,000 common shares at \$0.25 per share, bear interest at 6% per annum and are repayable as to 50% three years from the closing of the transaction on March 29, 1994 and as to the balance four years from the closing of the transaction. Interest was not paid when due and the Company is negotiating with the holders who have taken the position that because of the interest payment default the full \$800,000 principal should be repaid; consequently, this \$800,000 has been stated in the current portion of long-term debt.

(b) Notes Payable

The notes payable are in connection with a former acquisition option which has since been dropped and are subject to negotiation.

(c) Debentures and Advances

In April of 1993 the terms of debentures payable to Deak International Resources Holdings Ltd. aggregating \$1,588,963 were changed to interest free effective July 7, 1992 with repayment due July 7, 1996; this amount has been stated in the current portion of long-term debt and is to be renegotiated by the Company. The debentures are pledged as security for the indemnity of certain past and present directors of the Company under an Indemnity Agreement executed by the Company and effective as of April 28, 1993.

During 1994 advances were made by and through Gwen Resources Ltd., a significant shareholder in the Company, aggregating some \$367,827 and \$338,699 at December 31, 1995 and 1994, respectively.

(d) Government Guaranteed Loans

Northern Ontario Heritage Fund Corporation ("NOHFC")

In August 1990, February 1991, February 1992 and March 1993 NOHFC hypothecated \$3.9 million with a Canadian Bank (see Note 20 (b)) to be used as security for matching loans to the Company at an interest rate of 1% over prime and collateralized to NOHFC by a perfected security interest in the assets of the Company. The borrowed funds were used primarily to upgrade and expand the Kerr mill and to construct a new floatation circuit and a modern effluent treatment system to more than meet all regulatory environmental requirements.

In March of 1993, NOHFC advanced an 8% bridging loan of \$500,000 which has since been reduced to \$377,315 and converted to a long-term ten year repayable loan of which approximately \$30,000 is repayable in fiscal 1996 and is stated under current liabilities.

Effective December 31, 1994 the hypothecated \$3.9 million NOHFC funds are to be repaid over 10 years in 40 equal instalments of \$97,400 payable in the months of May through August, commencing May 1, 1998.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FEDNOR Core Industrial Program

On March 1, 1991, the Company entered into an agreement with the Minister of Industry, Science and Technology whereby the Company will be able to apply for assistance under the FEDNOR Core Industrial Program. Under the program the Company can obtain repayable grants for 35% of eligible capital costs incurred. A grant of \$1,303,750 has been approved to be drawn against expenditures on the Kerr mill upgrading and expansion program. The grants are interest free and are repayable from 1% of revenue annually over a period not exceeding ten years commencing at the commencement of commercial production of the upgraded facility. An amount of \$882,804 has been drawn down to date leaving a balance of \$420,946 available for future expenditures. An amount of \$326,000 has been transferred to current liabilities based on 1% of 1993, 1994 and 1995 revenues.

(e) Past Severance Pay

Pursuant to an Agreement dated March 22, 1994 between GSR Mining Corporation ("GSR") and the United Steelworkers of America, Local 9283 ("the Union"), and a subsequent Memorandum of Agreement dated March 25, 1994, GSR has acknowledged the Union's estimate of \$1.222 million of severance pay pertaining to former employees of GSR and Golden Shield Resources Ltd. and has paid an initial payment of \$50,000 in trust and agreed to monthly payments of \$20,000 on the 15th of each month commencing March 15, 1995 until all amounts determined as due are fully paid. Current amounts coming due have been stated as accrued liabilities.

11. Capital Stock

Authorized

Unlimited number of Class A common shares without par value.

Unlimited number of Class B preferred shares without par value, issuable in series, the privileges, rights and conditions of which will be determined by the directors.

Issued

	Class A Common Shares	Consideration
Balance, December 31, 1993	59,432,798	\$ 19,962,043
Options cancelled	(60,000)	(25,500)
Employee Options exercised	550,000	105,500
Issued for cash	13,462,772	1,973,495
Share Purchase Option Loan	-	(111,296)
Less accumulated issue costs	-	(13,750)
Shares to be issued - Debenture	4,200,000	623,000
	<hr/>	<hr/>
Balance, December 31, 1994	77,585,570	22,513,492
Issued for cash	4,250,000	468,159
	<hr/>	<hr/>
Balance, December 31, 1995	81,835,570	\$ 22,981,651
	<hr/> <hr/>	<hr/> <hr/>

Under a Subscription Agreement dated March 1995, a related party purchased 4,250,000 units at \$0.11 per unit, each comprised of 1 common share of the Company and 1 common share purchase warrant, each such warrant entitling the holder to purchase one common share at \$0.11 up to March 1997.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The consideration has been reduced by \$970,970 (1994 - \$970,970) for amounts relating to long-term share purchase loans remaining outstanding (Note 6).

12. Stock Options

Under the Incentive Stock Option Plan (the "Plan"), 7,270,000 (1994 - 7,270,000) Class A common shares were reserved for issuance upon exercise of options to be granted at the discretion of the directors. Exercise prices reflect the market value of the Company's Class A common shares on the date the stock options were granted. The directors may grant options to acquire up to 10% of the issued and outstanding Class A common shares of the Company.

The Plan allows the Company to make loans to individuals to allow them to exercise their options. The shares are held by a trustee until such time as the promissory notes are repaid.

A summary of the option transactions during 1995 and 1994 is as follows:

	<u>Options Granted Under Plan</u>	<u>Average Option Price Per Share</u>
Options outstanding, December 31, 1993	-	-
Granted	7,620,000	0.15
Exercised	350,000	0.19
Options outstanding, December 31, 1994 and 1995	<u>7,270,000</u>	<u>\$ 0.14</u>

13. Income Taxes

The benefit of prior years losses and mining tax exemption results in an effective rate of 0% and therefore no tax provision is required.

The Company and its subsidiaries have non-capital losses of approximately \$9,900,000 available to reduce future taxable income which expire as detailed below:

Year Expiring	
1999	\$ 1,480,000
2000	3,220,000
2002	5,200,000
	<u>\$ 9,900,000</u>

The Company, including its predecessors and together with its subsidiaries, has also incurred cumulative Canadian exploration and development expenditures of approximately \$5,000,000 which may reduce future taxable income earned from the applicable resource properties. The future tax benefit of these non-capital losses and exploration and development expenditures will be recognized in the accounts of the Company when realized for tax purposes.

The Company, including its predecessors and together with its subsidiaries, has incurred approximately \$14,000,000 in Canadian exploration expenses pursuant to flow-through share agreements. Income tax benefits with respect to expenditures undertaken with the proceeds of flow-through share offerings accrue to the purchaser of such shares and are not available for realization by the Company. In addition, as a result of the purchase of interests basis of accounting being applied upon an amalgamation on December 30, 1988, approximately \$5,800,000 was allocated to mineral properties; this sum does not constitute a cost basis in those properties for income tax purposes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. Profit and Loss per Common Share

Profit and loss per Class A common share has been calculated using the weighted average number of Class A common shares outstanding during the period. Fully diluted loss per share has not been disclosed as it would decrease the loss per share.

15. Related Party Transactions

During the year, the Company had the following transactions with related parties:

- (a) A Company controlled by a director and officer of a subsidiary company: Payment of consulting fees in 1995 of nil (1994 - \$153,000).
- (b) The Company is a joint venture partner on a mineral property in which a company controlled by two officers of the company is the other partner.
- (c) Gwen Resources Ltd., a significant shareholder that is controlled by two officers of the company had outstanding advances at the end of the year on behalf of itself and other parties in the amount of \$367,827 (1994 - \$338,699). This amount is included in the debenture debt and advances in long-term debt (Note 10).
- (d) Aljon Exploration Inc., an exploration company in which a director and officer has a minority interest, has an amount payable for exploration services and reimbursable costs of \$84,707 at December 31, 1995 (1994 - \$76,265).
- (e) An amount of \$637,779 (1994 - \$470,000) is accrued for executive compensation for officers of the Company for the periods of 1993 through 1995.

16. Commitments and Contingencies

- (a) The Company is presently negotiating a Frequency Conversion Agreement with Ontario Hydro which has been authorized under the Power Corporation Act, R.S.O., 1990, Chapter P.18 and amendments thereto to standardize the frequency at which it delivers electric power to 60 Hz and has obtained the approval of the Lieutenant Governor in Council so to do. To date, the Company, based on Ontario Hydro's mandate and on consultancy studies, believes the best resolution is to convert the hoist equipment from 25 Hz to 60 Hz and to install a Frequency Changer to continue to power its other 25 Hz equipment. Ontario Hydro and the Company and its consultants are finalizing cost estimates for the conversion. It is hoped that Ontario Hydro will recognize its responsibility for the conversion and its profits made on some fifty years of service charges to the Mine and consequently participate in the requisite conversion plan and costs.

The most rational means of power supply for the Company's Kerr Mine and Mill Complex presently appears to be use of Ontario Hydro during night-time off-peak supply periods and rates and onsite self-generation of power by use of trucked-in compressed natural gas during daytime high peak usage and rates.

This combination of power usage would ensure both Ontario Hydro and the supplier of the trucked-in natural gas equipment and presumably of the financing for the gas fired power generating equipment, power and natural gas sales on which to recoup their respective investments. For the Company, it is estimated that its annual cost for power would be reduced by some 30% or over \$500,000; additionally, heat produced by self-generation can be used to reduce heating fuel costs by some \$225,000 annually, both very critical costs.

- (b) In June of 1994 the Company through GSR Mining Corporation negotiated payment terms with the Workers' Compensation Board for payment balances claimed by them long in arrears. The Company agreed to an ongoing payment schedule against these balances, however, has been unable to maintain the stipulated regular payments. The Company intends to have the Workers' Compensation Board figures audited by an

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

independent service, prior to attempting to negotiate the amounts claimed which are included in accounts payable and accrued liabilities.

- (c) The Company has been served with various Writs of Seizure and Sale with respect to various creditors totalling approximately \$4 million, of which approximately \$3.8 million pertains to Provincial Government Agencies; these amounts have been stated under accounts payable and accrued liabilities in the financial statements.

As well, the Company has not provided for interest on certain trade payables. It is management's position that these amounts will be forgiven upon settlement of the original obligations.

17. Exploration and Mining Joint Ventures

(a) **Kennecott Joint Venture**

On January 29, 1992, GSR Mining Corporation ("GSR"), a subsidiary of the Company, entered into a joint venture agreement with Kennecott Canada Inc. ("Kennecott") whereby each party contributed to the joint venture a group of contiguous claims immediately east of the Kerr mine. An initial exploration program has been carried out, however, the program has been placed on hold pending further evaluation and discussions between the parties.

(b) **Norex Properties**

Pursuant to an agreement with Noranda Exploration Company, Limited (Norex) dated November 8, 1989 (as amended January 10, 1990) the Company acquired a 100% interest in certain mineral property interests in the Rouyn-Noranda area in the Province of Quebec for the sum of \$2,000,000 which has been used to fund exploration expenditures on these properties. Norex retains the right to back-in on any property by incurring exploration expenditures or paying to the Company an amount equal to the greater of 200% of the Company's expenditures or an amount equal to the fair market value of the property at the time of exercise. In addition, the Company granted to Norex a 25% net profits interest on certain properties owned by the Company in the same area.

(c) **New Buffonta (Silverside) Property**

The Company acquired an interest in the 106 claim New Buffonta (Silverside) Property in the Harker-Holloway Gold Camp, within economic hauling distance of the Kerr Mill, in 1990 and under a Joint Venture Agreement with Perrex Resources Inc. and Gwen Resources Ltd. ("Gwen") (both of which are controlled by two Officers and Directors of the Company installed in 1993, one of whom was a director at the time of acquisition of the Property and Gwen now being a significant shareholder of the Company). Gwen is the Operator for exploration purposes with the Company being the Development and Mining Operator. Presently, the Company and its subsidiaries have approximately a 30% interest in the Property with Gwen having the remaining portion.

18. Provision for Closure

The Company's operations at Virginiatown, Ontario include the Kerr mill and the Kerr mine. The mine currently has reserves sufficient to allow the continuation of mining for a period in excess of 10 years at current production levels. The Kerr mill is designed to be a custom treatment facility which will service mines in the area for an indefinite period of time. Recognizing its responsibility for reclamation, the Company is continuously operating in a manner which will minimize future costs and on July 4 of 1995 has submitted the requisite Kerr Mine Closure Plan to the Ministry of Northern Development and Mines (Ontario), indicating an overall closure cost of approximately \$2.5 million. The Company's assets are of a nature which will provide for significant value to be realized on the eventual closure of operations. As such, it is management's position that such value is in itself a provision which at this time is adequate for restoration and reclamation of the site and thus no additional provision is made in the accounts of the Company. Should future studies indicate otherwise, a provision for reclamation will be made at that time.

As part of normal operations, the Company utilizes equipment bearing P.C.B.'s and maintains an approved storage facility on site for related waste. At the present time, there is no approved facility for disposal of concentrated

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

P.C.B. fluids available in Canada other than Alberta where out of province disposal is not being accepted. The Canadian, U.S. and Ontario governments are currently working together on a disposal method. No provision has been made in these financial statements for the cost of disposal.

19. Comparative Figures

Certain comparative figures in the 1994 financial statements have been reclassified to conform with the current years presentation.

20. Subsequent Events

- (a) February 1996 - Pursuant to the Company's Stock Option Plan the directors of the Company granted options to purchase an aggregate of 4,230,000 common shares.
 - (b) February 1996 - The Canadian Bank holding the matching loans of \$3.9 million from the Northern Ontario Heritage Fund Corporation, as agreed with the Company and the Heritage Fund, eliminated its loan to the Company by realizing on the deposit. The Bank is claiming interest arrears amounting to \$87,065 at December 31, 1995, which have been accrued in the accounts (Note 9).
 - (c) March 1996 - Effective March 1, 1996 the Company concluded an "Exploration Option And Operating Joint Venture Agreement" with the Canadian affiliate of a major U.S. base metals corporation on the Company's Stirling Mine base metals property located in Richmond County, Nova Scotia. Terms of the Agreement require cash payments totalling \$150,000 by the third anniversary and work expenditures totalling \$1,000,000 by the fourth anniversary of the Agreement in order for the Optionor to earn a 65% interest in the property.
 - (d) April 1996 - A Statement Of Claim against The Corporation Of The Township Of McGarry was filed by the Company's solicitors on April 10, 1996 with the Ontario Court wherein the Company claims amongst other matters:
 - a) damages in the amount of \$10,000,000 for breach of contract;
 - b) in the alternative, payment of the sum of \$10,000,000 by which the defendant has been unjustly enriched;
 - c) an interlocutory and permanent injunction restraining the defendant from discharging sewage into the Kerr Mine tailings ponds and requiring the removal of all pipes, pumps and facilities constructed by the defendant for the purpose of discharging sewage onto the plaintiff's property;
 - d) an interlocutory injunction pending the trial of this action, restraining the defendant from taking any steps to enforce the alleged tax arrears in connection with the real property described in the Schedule thereto;
 - e) a declaration that the damages in this action be set off against any amount of tax arrears owing by the plaintiff to the defendant;
 - f) an order that the defendant credit to the plaintiff in respect of its municipal tax arrears all amounts paid to P.D. Merrell Bailiff Inc. as the defendant's agent with respect to the collection of tax arrears;
- The Township has filed a Statement Of Defence dated May 13, 1996 with the Ontario Court.
- (e) June 1996 - On June 20, 1996 a "Letter Of Intent" was concluded with a U.S. corporation for an investment of U.S. \$17 million in the Company, primarily in the form of Secured Preferred Participating Convertible shares, and to be directed to increased production of gold.

AJ PERRON GOLD CORP.

BUSINESS & REGISTERED OFFICE:

Kerr Mine / Mill Site
P.O. Box 390
Virginiatown, Ontario P0K 1X0
Telephone (705) 634-2121; Fax (705) 634-2396

DIRECTORS:

Alexander H. Perron
Kirkland Lake, Ontario

John E. Perron
Kelowna, B.C.

Victor J. Elias
Vancouver, B.C.

Jim A.R. Voisin
St. Clements, Ontario

Stanley S. Brunton
Ashton, Ontario

OFFICERS:

Alexander H. Perron
President & C.E.O., Chairman

John E. Perron
Vice President,
Secretary-Treasurer & C.F.O.

REGISTRAR AND TRANSFER AGENT:

Montreal Trust
151 Front Street West
Toronto, Ontario M5J 2N1

SOLICITORS:

Armstrong, Dunne, Singer & Cowan
141 Adelaide Street West
Suite 1400
Toronto, Ontario M5H 3L5
Telephone (416) 868-0180; Fax (416) 868-0820

AUDITORS:

Ross, Pope & Company
Chartered Accountants
P.O. Box 785
Kirkland Lake, Ontario P2N 3K4
Telephone (705) 567-5205; Fax (705) 567-6504

tab T

This is Exhibit "T" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

97-MU-16878

ONTARIO COURT (GENERAL DIVISION)

IN THE MATTER OF the Labour Relations Act, 1995

AND IN THE MATTER OF the Decision of an
Arbitrator or Arbitration Board under
Section 48(19) of the Labour Relations Act, 1995

BETWEEN:

UNITED STEELWORKERS OF AMERICA LOCAL 9283

Applicant

-and-

GSR MINING CORPORATION/AJ PERRON GOLD CORPORATION

Responding Party

TO: THE REGISTRAR OF ONTARIO COURT (GENERAL DIVISION)

1. **United Steelworkers of America Local 9283 being a Trade Union**
(Party, Employer, Trade Union or Employees affected by the decision or an arbitration board under Section 25 of the Labour Relations Act) hereby files this decision under the said Section 48(19).
2. The decision was made under the following circumstance:
 - (i) Arbitrator or Members of Board of Arbitration:
J.W. Samuels
 - (ii) Appearances for Complaint
J. Kmit, United Steelworkers of America Staff Representative

(iii) Appearances for Responding Party:

Meredith Armstrong, Company Representative

(iv) Date and Place of Hearing:

November 9, 1995 by Conference Call

(v) Date of Decision:

November 9, 1995

(vi) Date of Release of Decision:

November 9, 1995

(vii) Date provided in Decision for Compliance

November 9, 1995

3. The Decision, exclusive of the reasons therefore, reads as follows:

Pursuant to my authority under the collective agreement and under the *Labour Relations Act*, I Order:

1. That the Company now pay to each employee who is entitled, including those who may now be on lay-off or retired, the gold bonus due in respect of the period after November 1994. The specific amounts owing in respect of the months December 1994 through September 1995 are shown on the attached lists. If necessary, I will issue such further orders as are necessary to establish the specific amounts owing in respect of any later period.
2. That the Company pay all premiums due from the Company in respect of health benefits provided under the collective agreement, and ensure payment of or reimbursement for any bills incurred by employees, that ought to have been covered by the health benefits.
3. That, from this time forward, the Company honor its commitments under Article 6.02 and the provisions regarding health benefits.

4. That each party pay one-half of my account for fees and expenses, being an amount due from each party of \$235.40.

4. The responding party has failed to comply with the decision.

DATED at Toronto this *2nd* day of April, 1997.

I certify that the copy of the decision is a true copy and the particulars set out herein are within my knowledge, accurate.

Paula Tuttle

Signature of person filing the decision or, where person filing is a Corporation or Trade Union, or an officer authorized in that behalf

United Steelworkers of America

FILED this 4 day of April, 1997, pursuant to Section 48(19) of the Labour Relations Act.

THIS ORDER bears interest at the rate of 8 per year commencing November 9, 1995.

Elmer Thomas

Local Registrar
Ontario Court (General Division)

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

APR 04 1997

PER/PAR:

mbs

Concerning an arbitration

Between:

GSR Mining Corporation/AJ Perron Gold Corporation

and

United Steelworkers of America, Local 9283

Grievances concerning health benefits and gold bonus

Arbitrator: J. W. Samuels

For the Parties

Union

J. Kmit, Staff Representative

Company

M. Armstrong

Hearing by conference call, November 9, 1995

Article 6.02 of the collective agreement provides for a Gold Bonus. The Company has not paid this Bonus, as is required, since November 1994.

The collective agreement also provides for health benefits, including drug and dental benefits, and says that "the Company shall ensure the payment of premiums of the following plans in order for employees covered to receive the benefits". The Company fell behind in the premium payments to the carrier of the drug and dental benefits, London Life. The Company says that the premiums are now up to date to June 1, 1995, and the premiums will be paid in full by mid-December 1995. For employees who had to pay bills which ought to have been covered by insurance, arrangements are now being made to reimburse the employees in respect of bills incurred up to June 1, 1995; and, once the premiums are paid up in full, London Life will arrange for reimbursement of bills incurred after June 1, 1995.

In brief, the Company's reason for these violations of the collective agreement is financial hardship. But there is no provision in the collective agreement to relieve in these circumstances, and the Company still has a legal obligation to make the payments as prescribed and to ensure that the employees are provided with the health benefits prescribed in the collective agreement.

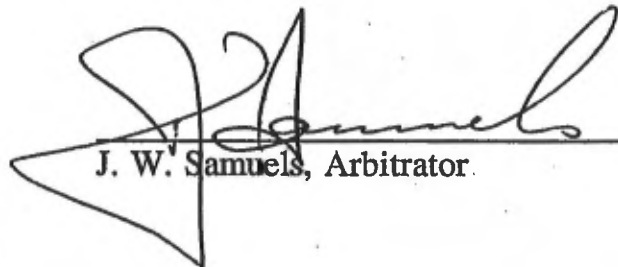
Pursuant to my authority under the collective agreement and under the *Labour Relations Act*, I Order:

1. that the Company now pay to each employee who is entitled, including those who may now be on lay-off or retired, the gold bonus due in respect of the period after November 1994. The specific amounts owing in respect of the months December 1994 through September 1995 are shown on the attached lists. If

- necessary, I will issue such further orders as are necessary to establish the specific amounts owing in respect of any later period;
2. that the Company pay all premiums due from the Company in respect of health benefits provided under the collective agreement, and ensure payment of or reimbursement for any bills incurred by employees, which ought to have been covered by the health benefits;
 3. that, from this time forward, the Company honor its commitments under Article 6.02 and the provisions governing health benefits;
 4. that each party pay one-half of my account for fees and expenses, being an amount due from each party of \$235.40.

I will reserve my jurisdiction to determine any issues which arise between the parties as a result of these Orders, in particular with respect to the lists of employees entitled to the various payments and the precise amounts owing to each employee. At the close of our hearing, the parties agreed to work out these details themselves, and I made it clear that I would issue any further Orders which may be necessary to resolve the Union's grievances.

Done at London, Ontario, this 9th day of November, 1995



J. W. Samuels, Arbitrator

ERRON GOLD CORP.
 IRENT EMPLOYEES
 D BONUS - DEC. 94 - SEPT. 95

	NAME	@ \$0.77 DEC. 94	@ \$0.85 JAN. 95	@ \$0.27 FEB. 95	@ \$0.98 MAR. 95	@ \$0.38 APR. 95	@ \$0.21 MAY 95	@ \$0.34 JUNE 95	@ \$0.28 JULY 95	@ \$0.20 AUG. 95	@ \$0.18 SEPT. 95	TOTAL GOLD BONUS
1	B. SCOTT	\$198.60	\$153.00	\$45.36	\$72.96	\$47.50	\$47.28	\$63.92	\$52.00	\$32.40	\$33.30	\$666.32
1	V. DUFRESNE	\$141.68	\$142.80	\$45.36	\$72.58	\$63.84	\$44.16	\$61.20	\$26.00	\$46.40	\$34.56	\$678.58
2	P. LAMY	\$157.08	\$166.20	\$49.68	\$60.80	\$71.44	\$47.04	\$69.36	\$44.98	\$35.20	\$36.72	\$738.50
18	R. DELL	\$123.20	\$136.00	\$42.66	\$60.80	\$0.00	\$0.00	\$0.00	\$16.64	\$20.60	\$24.30	\$424.20
12	D. SOON	\$123.59	\$135.58	\$40.77	\$63.84	\$57.76	\$40.32	\$56.95	\$42.12	\$34.30	\$29.16	\$624.39
15	D. BRACHER	\$124.36	\$144.50	\$45.90	\$74.29	\$61.37	\$44.88	\$60.69	\$30.94	\$23.80	\$22.86	\$633.59
13	G. FICK	\$117.04	\$136.00	\$41.04	\$66.88	\$57.76	\$42.24	\$56.78	\$39.79	\$0.00	\$24.48	\$582.01
10	D. TURNER	\$119.35	\$122.40	\$41.04	\$69.92	\$0.00	\$41.28	\$62.56	\$41.60	\$34.40	\$27.63	\$560.18
17	J. JOYNER	\$120.12	\$122.40	\$50.76	\$47.12	\$57.76	\$33.60	\$59.84	\$43.68	\$25.80	\$19.44	\$580.32
19	J. PREST	\$123.20	\$146.20	\$42.12	\$69.92	\$69.16	\$38.40	\$55.76	\$43.68	\$28.00	\$30.24	\$646.68
20	M. EFFENBERGER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5.20	\$3.06	\$8.26
29	A. CANNON	\$120.89	\$126.65	\$38.88	\$69.92	\$55.10	\$42.72	\$43.52	\$28.08	\$36.00	\$25.92	\$587.68
34	M. TIEDTKE	\$129.36	\$102.00	\$44.28	\$54.72	\$65.36	\$43.20	\$46.24	\$43.68	\$28.80	\$25.92	\$583.56
39	R. KNECHTEL	\$123.20	\$142.80	\$38.72	\$66.88	\$55.48	\$42.24	\$53.04	\$30.16	\$32.00	\$28.80	\$611.32
10	A. STICKLAND	\$120.12	\$109.40	\$44.28	\$60.80	\$65.38	\$44.16	\$46.24	\$43.68	\$31.20	\$29.52	\$624.76
11	F. KUROWSKI	\$128.28	\$146.20	\$35.84	\$71.44	\$68.88	\$42.24	\$50.32	\$27.82	\$22.40	\$30.96	\$620.18
79	R. BRADLEY	\$123.20	\$132.60	\$36.72	\$47.12	\$42.56	\$31.32	\$54.40	\$32.24	\$28.00	\$28.08	\$556.24
31	M. PAQUETTE	\$108.28	\$136.00	\$49.88	\$60.80	\$48.64	\$35.52	\$63.92	\$32.24	\$8.80	\$27.36	\$569.22
20	R. HETU	\$128.28	\$142.80	\$39.96	\$85.36	\$68.40	\$40.32	\$53.04	\$10.46	\$30.40	\$31.68	\$616.70
23	S. NASH	\$118.97	\$121.55	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$240.52
24	B. COWIE	\$120.89	\$114.75	\$32.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$268.04
26	B. SULLIVAN	\$0.00	\$0.00	\$0.00	\$0.00	\$62.32	\$46.08	\$61.20	\$44.72	\$35.20	\$30.24	\$279.76
28	E. LASKOWSKI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19.04	\$43.68	\$36.80	\$29.52	\$129.04
12	R. BOUCHER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33.28	\$36.80	\$27.36	\$97.44
16	G. HAMEL	\$132.44	\$84.00	\$47.52	\$69.92	\$63.84	\$44.16	\$61.20	\$53.04	\$36.00	\$31.68	\$573.80
27	J. AIRD	\$96.25	\$129.20	\$43.20	\$66.88	\$54.34	\$42.24	\$59.84	\$24.98	\$14.40	\$28.80	\$560.11
30	C. ENAIR	\$118.19	\$135.15	\$33.75	\$60.42	\$54.72	\$42.24	\$59.50	\$31.20	\$35.20	\$25.92	\$591.29
33	M. PAQUET	\$110.88	\$142.80	\$30.24	\$69.92	\$42.56	\$39.60	\$48.96	\$41.60	\$32.80	\$22.32	\$581.68
57	W. MCDONOUGH	\$107.80	\$98.60	\$0.00	\$30.40	\$59.28	\$41.88	\$59.16	\$30.16	\$32.80	\$30.24	\$490.32
58	B. ALLEN	\$125.90	\$146.20	\$42.12	\$85.36	\$44.08	\$42.24	\$66.98	\$10.40	\$34.40	\$28.80	\$606.48
50	R. ROY	\$114.73	\$129.20	\$43.20	\$55.86	\$55.29	\$42.12	\$59.84	\$31.20	\$28.80	\$30.96	\$591.20
74	E. SIEGL	\$117.04	\$129.20	\$48.60	\$62.32	\$61.94	\$31.68	\$29.92	\$47.84	\$32.00	\$20.88	\$581.42
91	D. DEIBEL	\$120.12	\$125.80	\$46.44	\$65.36	\$57.76	\$35.52	\$61.20	\$34.32	\$37.60	\$26.64	\$610.76
39	A. LESSARD	\$123.20	\$136.00	\$43.20	\$69.92	\$54.72	\$40.32	\$57.12	\$33.28	\$25.60	\$28.80	\$612.16
28	M. KARAS	\$117.04	\$135.58	\$41.04	\$21.28	\$60.80	\$39.84	\$55.08	\$42.90	\$26.40	\$26.73	\$566.69
10	T. DENNER	\$123.20	\$153.00	\$25.92	\$46.64	\$33.44	\$39.36	\$44.88	\$37.44	\$9.60	\$24.48	\$539.96
34	R. BOUCHARD	\$117.04	\$142.80	\$43.20	\$66.88	\$18.24	\$42.24	\$57.12	\$22.88	\$35.20	\$25.92	\$571.52
65	K. CHARLTON	\$129.20	\$132.60	\$42.12	\$72.96	\$57.76	\$43.20	\$48.96	\$32.24	\$36.80	\$21.60	\$611.44

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ERRON GOLD CORP.
 RENT EMPLOYEES
) BONUS - DEC. 94 - SEPT. 95

NAME	@ \$0.77 DEC. 94	@ \$0.85 JAN. 95	@ \$0.27 FEB. 95	@ \$0.38 MAR. 95	@ \$0.38 APR. 95	@ \$0.24 MAY 95	@ \$0.34 JUNE 95	@ \$0.26 JULY 95	@ \$0.20 AUG. 95	@ \$0.18 SEPT. 95	TOTAL GOLD BONUS
A. TABAKA	\$110.88	\$138.00	\$38.88	\$64.60	\$57.76	\$42.24	\$57.12	\$22.88	\$36.60	\$19.53	\$586.49
D. WEBBER	\$125.51	\$122.40	\$38.88	\$63.84	\$51.68	\$42.24	\$46.24	\$31.20	\$25.60	\$23.04	\$570.63
R. PIETRASIK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36.00	\$29.52	\$65.52
A. LEUEVRE	\$104.72	\$136.00	\$43.20	\$57.76	\$54.72	\$42.24	\$40.80	\$41.60	\$35.00	\$21.60	\$577.64
D. LEFEBVRE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B. ROSICKI	\$121.66	\$196.00	\$41.72	\$63.84	\$57.76	\$42.24	\$59.84	\$40.56	\$29.60	\$28.08	\$821.30
A. CLICHE	\$116.50	\$122.40	\$43.20	\$66.88	\$36.48	\$40.32	\$38.08	\$32.24	\$28.80	\$14.40	\$538.30
D. BRISSON	\$117.04	\$132.60	\$41.04	\$58.52	\$54.72	\$40.32	\$56.44	\$38.87	\$33.90	\$26.37	\$699.82
A. PECHAN	\$123.20	\$136.00	\$43.20	\$66.88	\$60.80	\$40.32	\$4.08	\$33.28	\$35.20	\$28.80	\$571.76
C. LAVICTOIRE	\$117.04	\$102.00	\$38.88	\$69.92	\$54.72	\$42.24	\$59.84	\$31.20	\$27.20	\$28.80	\$571.84
TOTALS	\$5,081.25	\$5,509.36	\$1,862.80	\$2,494.51	\$2,164.10	\$1,645.80	2,170.22	\$1,504.76	\$1,317.80	\$1,195.02	\$24,739.62

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USWA TIMMINS

004

ERRON GOLD CORP.
 RENT EMPLOYEES
 D BONUS - DEC. 94 - SEPT. 95

	NAME	@ \$0.77 DEC. 94	@ \$0.85 JAN. 95	@ \$0.27 FEB. 95	@ \$0.38 MAR. 95	@ \$0.38 APR. 95	@ \$0.24 MAY 95	@ \$0.34 JUNE 95	@ \$0.26 JULY 95	@ \$0.20 AUG. 95	@ \$0.16 SEPT. 95	TOTAL GOLD BONUS
8	A. DAoust	\$128.28	\$142.80	\$43.20	\$66.88	\$60.80	\$42.24	\$67.12	\$37.44	\$35.20	\$27.36	\$639.32
1	A. CHARBONNEAU	\$80.08	\$138.00	\$25.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$242.00
8	V. WALKER	\$123.20	\$134.30	\$43.20	\$69.92	\$57.76	\$42.24	\$32.64	\$41.60	\$35.20	\$25.92	\$605.98
4	R. ROY	\$92.40	\$136.00	\$43.20	\$69.92	\$42.56	\$26.88	\$54.40	\$39.52	\$27.20	\$21.60	\$553.68
1	R. COTE	\$92.40	\$102.00	\$42.93	\$54.72	\$51.88	\$44.16	\$43.52	\$20.80	\$20.80	\$25.20	\$498.21
3	Y. CAOUETTE	\$98.56	\$129.20	\$45.36	\$63.84	\$30.40	\$42.24	\$42.16	\$41.60	\$35.20	\$28.80	\$557.36
0	R. LEDUC	\$98.56	\$137.80	\$38.81	\$46.60	\$54.72	\$21.12	\$59.84	\$41.60	\$26.20	\$27.36	\$551.21
7	REMI BOUCHER	\$110.88	\$196.00	\$43.20	\$63.84	\$24.32	\$11.52	\$0.00	\$0.00	\$0.00	\$0.00	\$389.76
2	R. DUQUETTE	\$123.20	\$136.85	\$43.20	\$69.92	\$57.76	\$42.24	\$31.28	\$33.28	\$36.80	\$27.36	\$601.89
6	R. PAQUET	\$117.04	\$142.80	\$43.20	\$66.88	\$60.80	\$42.24	\$43.52	\$43.68	\$35.20	\$27.36	\$622.72
16	G. LABRIE	\$117.04	\$149.85	\$41.04	\$89.92	\$54.72	\$42.24	\$53.04	\$39.52	\$24.00	\$27.36	\$612.53
10	J. LEMIRE	\$117.04	\$129.20	\$45.36	\$66.50	\$57.75	\$42.24	\$57.12	\$41.80	\$35.20	\$27.36	\$619.38
13	R. BOUCHER	\$123.20	\$129.20	\$43.20	\$69.54	\$51.68	\$42.24	\$59.84	\$41.60	\$33.60	\$28.80	\$622.90
10	J.P. BOUFFARD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19.04	\$0.00	\$0.00	\$0.00	\$19.04
14	R. GUILBEAULT	\$123.20	\$136.85	\$43.20	\$69.92	\$33.44	\$42.24	\$57.12	\$43.68	\$33.60	\$28.80	\$612.05
20	R. BOUFFARD	\$123.20	\$136.00	\$45.36	\$51.88	\$55.86	\$39.36	\$58.48	\$22.88	\$19.20	\$28.80	\$580.82
10	A. DERAICHE	\$117.04	\$196.00	\$41.04	\$89.92	\$54.72	\$32.64	\$54.40	\$43.68	\$33.60	\$27.36	\$610.40
18	D. BOUFFARD	\$123.20	\$136.00	\$39.69	\$69.92	\$58.52	\$42.24	\$29.92	\$27.04	\$33.60	\$28.80	\$588.93
10	R. GRAVEL	\$123.20	\$136.85	\$41.04	\$69.92	\$54.72	\$41.28	\$58.48	\$20.80	\$33.60	\$25.74	\$605.63
10	D. BREAULT	\$123.20	\$136.85	\$43.20	\$69.92	\$57.76	\$42.24	\$54.40	\$41.60	\$35.20	\$28.62	\$632.99
12	E. BERTIN	\$123.20	\$136.00	\$43.20	\$69.92	\$58.90	\$42.24	\$54.40	\$10.40	\$32.00	\$28.80	\$599.06
11	Y. BRUNEAU	\$123.20	\$129.20	\$38.88	\$66.88	\$58.90	\$41.76	\$0.00	\$0.00	\$28.80	\$21.60	\$509.22
18	R. SCHMIDT	\$123.20	\$136.00	\$43.20	\$66.50	\$58.90	\$40.32	\$54.40	\$37.44	\$20.80	\$25.92	\$614.68
13	G. GODIN	\$110.88	\$129.20	\$45.36	\$48.64	\$81.94	\$39.36	\$58.48	\$39.52	\$11.20	\$28.82	\$573.20
18	R. BRUNEAU	\$117.04	\$136.00	\$43.20	\$65.55	\$54.72	\$44.16	\$54.40	\$43.68	\$33.60	\$23.04	\$615.39
19	D. MICHAUD	\$0.00	\$123.25	\$41.04	\$57.76	\$57.76	\$38.16	\$32.64	\$41.60	\$33.90	\$28.80	\$454.91
21	D. POLIQUIN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24.96	\$59.84	\$41.60	\$36.80	\$27.18	\$190.38
22	R. CLERMONT	\$117.04	\$143.85	\$41.04	\$66.88	\$57.78	\$42.24	\$5.44	\$35.96	\$32.00	\$28.80	\$570.21
25	M. ROBERGE	\$110.88	\$136.00	\$45.36	\$51.88	\$52.82	\$39.36	\$55.76	\$29.12	\$25.60	\$23.22	\$569.80
28	D. FOURNIER	\$98.56	\$81.60	\$42.66	\$69.18	\$40.68	\$40.32	\$53.55	\$39.52	\$32.70	\$21.60	\$520.33
28	R. VILLENEUVE	\$123.20	\$136.85	\$41.04	\$54.72	\$57.76	\$32.64	\$46.24	\$31.20	\$27.20	\$27.36	\$578.21
29	R. GUINDON	\$117.04	\$108.80	\$34.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$260.40
35	D. VINCENT	\$110.88	\$136.00	\$41.04	\$69.92	\$57.76	\$42.24	\$43.52	\$41.60	\$35.20	\$28.80	\$606.96
33	R. BERTIN	\$123.20	\$129.20	\$39.98	\$60.04	\$57.76	\$39.00	\$55.08	\$10.40	\$33.60	\$28.62	\$576.86
37	Y. HEBERT	\$123.20	\$138.00	\$43.20	\$54.72	\$58.90	\$42.24	\$50.32	\$29.12	\$28.80	\$27.09	\$593.59
39	G. GAGNE	\$117.04	\$138.00	\$43.20	\$69.92	\$42.56	\$32.64	\$59.84	\$27.04	\$28.80	\$23.04	\$580.08
33	R. GRAVELLE	\$110.88	\$143.65	\$41.04	\$66.88	\$57.76	\$42.24	\$58.48	\$37.44	\$36.80	\$27.36	\$622.53
41	J. DORVAL	\$110.88	\$136.00	\$43.20	\$66.88	\$58.90	\$39.36	\$58.48	\$41.60	\$35.20	\$21.60	\$612.10
42	S. ALLEN	\$123.20	\$121.55	\$38.88	\$68.40	\$54.72	\$39.00	\$45.90	\$29.12	\$33.40	\$27.10	\$581.35
48	A. GRENIER	\$104.72	\$136.00	\$42.66	\$54.72	\$58.52	\$32.64	\$43.52	\$22.88	\$35.20	\$21.60	\$552.46

11/09/95

09:54

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USWA TIMMINS

005

ERRON GOLD CORP.
 TENT EMPLOYEES
) BONUS - DEC. 94 - SEPT. 95

NAME	@ \$0.77 DEC. 94	@ \$0.85 JAN. 95	@ \$0.27 FEB. 95	@ \$0.38 MAR. 95	@ \$0.38 APR. 95	@ \$0.24 MAY 95	@ \$0.34 JUNE 95	@ \$0.26 JULY 95	@ \$0.20 AUG. 95	@ \$0.18 SEPT. 95	TOTAL GOLD BONUS
R. ALLEN	\$123.20	\$136.85	\$42.12	\$69.92	\$57.76	\$41.28	\$56.78	\$28.12	\$28.00	\$27.18	\$612.21
B. ALLEN	\$123.20	\$136.85	\$43.20	\$51.72	\$51.88	\$36.48	\$59.84	\$29.12	\$14.40	\$27.36	\$576.85
P. VINCENT	\$104.72	\$136.00	\$41.04	\$60.80	\$58.90	\$37.44	\$55.78	\$41.60	\$35.20	\$28.80	\$600.26
C. LUDGATE	\$98.56	\$130.05	\$36.72	\$51.68	\$45.80	\$42.24	\$55.76	\$39.52	\$36.80	\$26.82	\$563.75
J. SCHMIDT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$38.08	\$41.60	\$33.60	\$27.18	\$140.46
E. POLIQUIN	\$123.20	\$136.00	\$38.88	\$63.84	\$42.56	\$44.16	\$57.12	\$33.28	\$33.60	\$21.60	\$594.24
M. TALBOT	\$122.43	\$136.00	\$43.20	\$69.92	\$57.76	\$42.24	\$51.17	\$43.68	\$17.60	\$28.80	\$612.80
S. PLANTE	\$110.88	\$136.00	\$41.04	\$69.92	\$58.52	\$42.24	\$57.12	\$39.52	\$27.20	\$28.80	\$611.24
S. DARVEAU	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16.64	\$36.80	\$27.36	\$80.80
R. PERREAULT	\$123.20	\$136.00	\$43.20	\$69.92	\$54.72	\$44.16	\$54.40	\$43.68	\$33.60	\$20.16	\$623.04
V. KOWBASSA	\$110.88	\$142.80	\$41.04	\$66.88	\$57.76	\$40.32	\$59.84	\$41.60	\$33.60	\$28.80	\$623.52
R. FRANCOEUR	\$117.04	\$143.65	\$41.04	\$69.92	\$58.90	\$31.68	\$57.12	\$41.60	\$35.20	\$28.80	\$624.95
D. EFFENBERGER	\$86.24	\$130.05	\$28.08	\$58.88	\$57.76	\$42.24	\$55.76	\$41.60	\$27.20	\$27.36	\$563.17
N. DUGUAY	\$43.12	\$129.20	\$41.04	\$54.72	\$58.52	\$40.32	\$54.40	\$41.60	\$27.20	\$28.80	\$518.92
F. DAGENAIS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7.20	\$0.00
TOTAL U/G	\$5,527.83	\$6,654.55	\$2,068.47	\$3,077.05	\$2,587.42	\$1,901.28	\$2,469.76	\$1,794.72	\$1,543.00	\$1,337.85	\$28,894.73
TOTAL SURFACE	\$5,081.25	\$5,509.36	\$1,682.80	\$2,494.51	\$2,164.10	\$1,645.00	\$2,170.22	\$1,504.76	\$1,317.80	\$1,195.02	\$24,799.82
GRAND TOTAL (\$)	\$10,609.08	\$12,157.91	\$3,791.27	\$5,571.56	\$4,751.52	\$3,547.00	\$4,639.98	\$3,299.48	\$2,860.80	\$2,532.87	\$53,641.55

11/09/95

09:55

17052875658

USWA TIMMINS

008

IRON GOLD CORP.
EMPLOYEES
BONUS - DEC. 94 - SEPT. 95

NAME	@ \$0.77 DEC. 94	@ \$0.85 JAN. 95	@ \$0.27 FEB. 95	@ \$0.38 MAR. 95	@ \$0.38 APR. 95	@ \$0.24 MAY 95	@ \$0.34 JUNE 95	@ \$0.26 JULY 95	@ \$0.20 AUG. 95	@ \$ SEPT. 95	TOTAL GOLD BONUS
R. RICHARDSON								\$14.56	\$12.80		\$27.36
D. CROXALL										\$29.52	\$29.52
G. FORTIN										\$27.36	\$27.36
A. SOURIOI										\$26.28	\$26.28
C. CHALIFOUX										\$27.36	\$27.36
R. ALARIE							\$28.78				\$28.78
J. BAROSKOV										\$28.80	\$28.80
W. JENNINGS										\$28.08	\$28.08
J. MARCHAND								\$20.80			\$20.80
A. LEMYRE							\$30.94				\$30.94
G. BRUNEAU								\$37.44	\$8.00		\$45.44
R. ALLEN									\$32.80		\$32.80
R. DUQUETTE						\$7.68					\$7.68
N. CLERMONT										\$17.28	\$17.28
L. BEATTIE										\$19.44	\$19.44
M. MARCHAND	\$129.36	\$5.10									\$134.46
K. HERRON								\$31.20	\$28.80		\$60.00
D. JOHNSON	\$128.28	\$98.60	\$43.20	\$63.84	\$65.36	\$30.72	\$31.28				\$459.28
M. BEAUPRE	\$134.75										\$134.75
J. SLANEY	\$143.22	\$149.80	\$43.20	\$63.84							\$399.86
D. LAVALLEE	\$49.28	\$136.00	\$44.28	\$70.30							\$299.86
R. LAFRANCE										\$27.00	\$27.00
J. LACHAPELLE							\$50.32	\$16.84			\$66.96
D. DUDGEON								\$18.72			\$18.72
S. SHELDON	\$80.08	\$136.00	\$36.72	\$33.44	\$45.74	\$40.32	\$4.08				\$377.36
P. MOORE	\$112.81	\$68.00	\$40.64	\$63.44							\$264.89
TOTAL	\$2,621.47	\$2,295.50	\$689.99	\$1,041.58	\$573.23	\$393.84	\$474.47	\$424.32	\$315.90	\$231.12	\$2,631.03

IL GOLD BONUS OWING

EX-EMPLOYEES	\$2,621.47	\$2,295.50	\$689.99	\$1,041.58	\$573.23	\$393.84	\$474.47	\$424.32	\$315.90	\$231.12	\$2,631.03
CURRENT EMPL.	\$10,808.08	\$12,157.91	\$3,731.27	\$5,571.58	\$4,751.52	\$3,547.08	\$4,699.98	\$3,239.48	\$2,880.80	\$2,532.87	\$53,641.55
GRAND TOTAL	\$13,230.55	\$14,383.41	\$4,421.26	\$6,613.14	\$5,324.75	\$3,940.92	\$5,114.45	\$3,663.80	\$3,176.70	\$2,763.99	\$56,272.58
TOTAL OWING	\$11,384.86	\$12,751.21	\$3,999.31	\$5,836.42	\$4,863.62	\$3,625.80	\$4,785.39	\$3,378.84	\$2,943.20	\$2,763.99	\$49,902.19

United Steelworkers of America

97-MU-16878
Court file #
vs GSR Mining Corp.

ONTARIO COURT (GENERAL DIVISION)
Proceeding commenced at Toronto

ORDER

UNITED STEELWORKERS OF
AMERICA
234 EGLINTON AVE
SUITE 700
TORONTO, ONTARIO
TEL: (416) 487-1571

tab U

This is Exhibit "U" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public

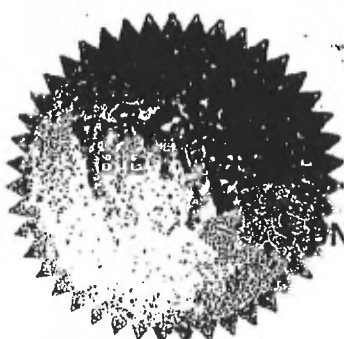
Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

97-mu-16879

ONTARIO COURT (GENERAL DIVISION)

IN THE MATTER OF the Labour Relations Act, 1995

AND IN THE MATTER OF the Decision of an
Arbitrator or Arbitration Board under
Section 48(19) of the Labour Relations Act, 1995



UNITED STEELWORKERS OF AMERICA LOCAL 9283

Applicant

-and-

GSR MINING CORPORATION/AJ PERRON GOLD CORPORATION

Responding Party

TO: THE REGISTRAR OF ONTARIO COURT (GENERAL DIVISION)

1. **United Steelworkers of America Local 9283 being a Trade Union**
(Party, Employer, Trade Union or Employees affected by the decision or an arbitration board under Section 25 of the Labour Relations Act) hereby files this decision under the said Section 48(19).

2. The decision was made under the following circumstance:
 - (i) Arbitrator or Members of Board of Arbitration:
J.W. Samuels

 - (ii) Appearances for Complaint
Paula Turtle, Counsel

(iii) Appearances for Responding Party:

Meredith Armstrong, Company Representative

(iv) Date and Place of Hearing:

Written representations and communications June 7, 1996 to February 21, 1997

(v) Date of Decision:

February 21, 1997

(vi) Date of Release of Decision:

February 21, 1997

(vii) Date provided in Decision for Compliance

February 21, 1997

3. The Decision, exclusive of the reasons therefore, reads as follows:

I now Order the Company to pay, in addition to the specific amounts covered by my Order of November 9, 1995, \$7109.70 in respect of health benefits, plus \$19,278 in respect of Gold Bonus. These amounts are to be paid to the Union in trust for current and former employees, to be paid out by the Union to each employee as that employee's interest may appear.

4. The responding party has failed to comply with the decision.

DATED at Toronto this *2nd* day of April, 1997.

I certify that the copy of the decision is a true copy and the particulars set out herein are within my knowledge, accurate.

Paula Tuttle

Signature of person filing the decision or, where person filing is a Corporation or Trade Union, or an officer authorized in that behalf

United Steelworkers of America

FILED this 4 day of April, 1997, pursuant to Section 48(19) of the Labour Relations Act, 1995.

THIS ORDER bears interest at the rate of 5 per year commencing February 21, 1997

Elberta Thompson ¹⁷ Per *ms*

Local Registrar
Ontario Court (General Division)

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

APR 04 1997

PER/PAR:

ms

Samuels Arbitration Services Limited

JOSEPH W. SAMUELS
President

281 Commissioners Road East
London, Ontario
N6C 2T3
519-681-3613
Fax 519-681-2644

February 21, 1997

By fax and regular mail

Ms. Paula Turtle
Associate Canadian Counsel
United Steelworkers of America
234 Eglinton Av. E.
Suite 700
Toronto, Ontario, M4P 1K7
FAX 416-487-8826

Mr Meredith Armstrong
AJ Perron Gold Corp.
Kerr Mine/Mill Site
1 Kerr Crescent Drive
P.O. Box 390
Virginiatown, Ontario
POK 1X0
FAX 705-634-2415

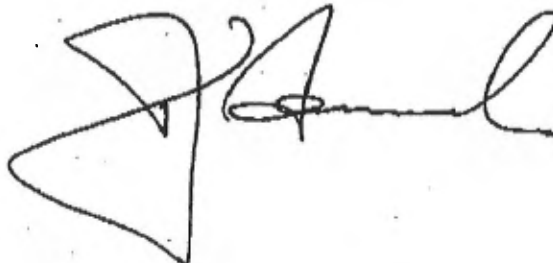
Dear Ms. Turtle and Mr. Armstrong:

Re:

AJ Perron Gold Corp. Mill Site
and
U.S.W.A. Local 9283
Grievance #1998, Gold Bonus & #2001, Benefits

Attached is my further Order in this matter, as requested by the
Union.

Very sincerely yours,



Concerning an arbitration

Between:

GSR Mining Corporation/AJ Perron Gold Corporation

and

United Steelworkers of America, Local 9283

Grievances concerning health benefits and gold bonus

Further Order

Arbitrator: J. W. Samuels

For the Parties

Union

Paula Turtle, Associate Canadian Counsel

J. Kmit, Staff Representative

Company

M. Armstrong

Based on written representations and communications, June 7, 1996 to
February 21, 1997

Article 6.02 of the collective agreement provides for a Gold Bonus. The Company has not paid this Bonus, as is required, since November 1994.

The collective agreement also provides for health benefits, including drug and dental benefits, and says that "the Company shall ensure the payment of premiums of the following plans in order for employees covered to receive the benefits". The Company fell behind in the premium payments to the carrier of the drug and dental benefits, London Life, and employees incurred expenses which ought to have been covered by insurance

On November 9, 1995, I issued the following Order:

Pursuant to my authority under the collective agreement and under the *Labour Relations Act*, I Order:

1. that the Company now pay to each employee who is entitled, including those who may now be on lay-off or retired, the gold bonus due in respect of the period after November 1994. The specific amounts owing in respect of the months December 1994 through September 1995 are shown on the attached lists. If necessary, I will issue such further orders as are necessary to establish the specific amounts owing in respect of any later period;
2. that the Company pay all premiums due from the Company in respect of health benefits provided under the collective agreement, and ensure payment of or reimbursement for any bills incurred by employees, which ought to have been covered by the health benefits;
3. that, from this time forward, the Company honor its commitments under Article 6.02 and the provisions governing health benefits;....

I will reserve my jurisdiction to determine any issues which arise between the parties as a result of these Orders, in particular with respect to the lists of employees entitled to the various payments and the precise amounts owing to each employee. At the close of our hearing, the parties agreed to work out these details themselves, and I made it clear that I would issue any further Orders which may be necessary to resolve the Union's grievances.

The "attached lists" to the above Order itemized the amounts owing in Gold Bonus to each employee in respect of the period December 1994 to September 1995 inclusive. The total Gold Bonus earned in the period by all eligible employees (current employees and ex-employees) was \$56272.58, of which \$6370.39 had already been paid. Thus there was a total of \$49902.19 still outstanding in respect of this period.

I have now been asked to make a further Order concerning amounts owing in health benefits and Gold Bonus.

I received an itemized list of the health expenses incurred by various employees, and a summary by the Union. Based on this evidence, I am satisfied that a total of \$7109.70 is owing by the Company.

I received documents concerning the Gold Bonus owing up to and including January 1996. These documents included the period covered by my original Order of November 9, 1995, so the Gold Bonus earned through September 1995 must be subtracted from the new global total. As well, these documents were not entirely legible, so that I am unable to ascertain the precise amount owing to each employee.

From the documents tendered, I am satisfied that the total Gold Bonus earned from November 1994 through January 1996 is at least \$76000. From the documents attached to my original Order, we see that the total Gold Bonus earned from December 1994 through September 1995

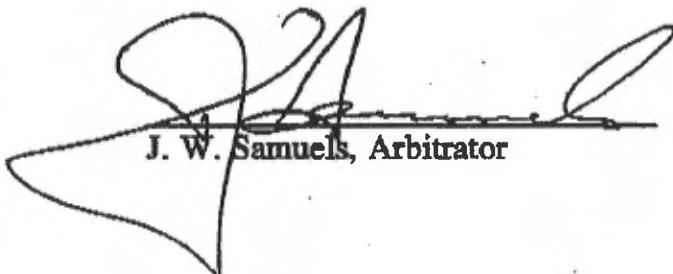
was \$56272. Therefore, through January 1996, there was a total Gold Bonus earned of \$19278, which was not taken into account in my original Order.

I now Order the Company to pay, in addition to the specific amounts covered by my Order of November 9, 1995, \$7109.70 in respect of health benefits, plus \$19278 in respect of Gold Bonus. These amounts are to be paid to the Union in trust for current and former employees, to be paid out by the Union to each employee as that employee's interest may appear.

I will reserve my jurisdiction to

- issue such further orders as are necessary to establish the specific amounts owing in respect of any later period;
- determine any issues which arise between the parties as a result of these Orders, in particular with respect to the lists of employees entitled to the various payments and the precise amounts owing to each employee;
- and, generally, issue any further Orders which may be necessary to resolve the Union's grievances.

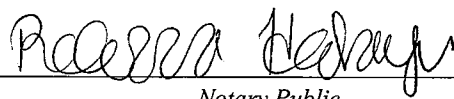
Done at London, Ontario, this 21st day of February, 1997



J. W. Samuels, Arbitrator

tab V

This is Exhibit "V" referred to in the Affidavit of Michael Berns sworn April 4, 2016



Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

Court File No. 97-MU-16878

Judgment Date: April 4, 1997

Interest Commencement Date: November 9, 1995

Interest Rate: 8%

Date	Start Balance	Interest	End Balance
November 9, 1995	49,902.19	3,992.18	53,894.37
November 9, 1996	53,894.37	3,992.18	57,886.54
November 9, 1997	57,886.54	3,992.18	61,878.72
November 9, 1998	61,878.72	3,992.18	65,870.89
November 9, 1999	65,870.89	3,992.18	69,863.07
November 9, 2000	69,863.07	3,992.18	73,855.24
November 9, 2001	73,855.24	3,992.18	77,847.42
November 9, 2002	77,847.42	3,992.18	81,839.59
November 9, 2003	81,839.59	3,992.18	85,831.77
November 9, 2004	85,831.77	3,992.18	89,823.94
November 9, 2005	89,823.94	3,992.18	93,816.12
November 9, 2006	93,816.12	3,992.18	97,808.29
November 9, 2007	97,808.29	3,992.18	101,800.47
November 9, 2008	101,800.47	3,992.18	105,792.64
November 9, 2009	105,792.64	3,992.18	109,784.82
November 9, 2010	109,784.82	3,992.18	113,776.99
November 9, 2011	113,776.99	3,992.18	117,769.17
November 9, 2012	117,769.17	3,992.18	121,761.34
November 9, 2013	121,761.34	3,992.18	125,753.52
November 9, 2014	125,753.52	3,992.18	129,745.69
November 9, 2015	129,745.69	3,992.18	133,737.87
April 1, 2016	133,737.87	1,575.00	135,312.86

Court File No. 97-MU-16879

Judgment Date:

April 4, 1997

Interest Commencement Date:

February 21, 1997

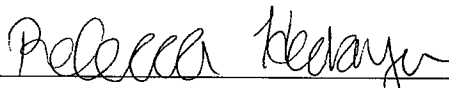
Interest Rate:

5%

Date	Start Balance	Interest	End Balance
February 21, 1997	26,387.70	1,319.39	27,707.09
February 21, 1998	27,707.09	1,319.39	29,026.47
February 21, 1999	29,026.47	1,319.39	30,345.86
February 21, 2000	30,345.86	1,319.39	31,665.24
February 21, 2001	31,665.24	1,319.39	32,984.63
February 21, 2002	32,984.63	1,319.39	34,304.01
February 21, 2003	34,304.01	1,319.39	35,623.40
February 21, 2004	35,623.40	1,319.39	36,942.78
February 21, 2005	36,942.78	1,319.39	38,262.17
February 21, 2006	38,262.17	1,319.39	39,581.55
February 21, 2007	39,581.55	1,319.39	40,900.94
February 21, 2008	40,900.94	1,319.39	42,220.32
February 21, 2009	42,220.32	1,319.39	43,539.71
February 21, 2010	43,539.71	1,319.39	44,859.09
February 21, 2011	44,859.09	1,319.39	46,178.48
February 21, 2012	46,178.48	1,319.39	47,497.86
February 21, 2013	47,497.86	1,319.39	48,817.25
February 21, 2014	48,817.25	1,319.39	50,136.63
February 21, 2015	50,136.63	1,319.39	51,456.02
February 21, 2016	51,456.02	1,319.39	52,775.40
April 1, 2016	52,775.40	144.59	52,919.99

tab W

This is Exhibit "W" referred to in the Affidavit of Michael Berns sworn
April 4, 2016



Notary Public

Rebecca Hedaya
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02HE6276977
Qualified in Kings County
Commission Expires Feb. 25, 2017

BASIC INFORMATION

Writ Type: WRIT OF SEIZURE AND SALE (FORM 60A)
Enforcement Office(s):
HAILEYBURY

Is this judgment a result of a Restitution Order: N
Provincial Filer: N
Court file #: 97-MU-16878
Jurisdiction: Toronto-SCJ
Judgment Date: 1997-04-02
Paper Based Writ: N

DEBTOR(S) INFORMATION

DEBTOR #1
Surname:
Given Name(s):
Birth Date:
Company Name: GSR MINING CORPORATION

DEBTOR #2
Surname:
Given Name(s):
Birth Date:
Company Name: AJ PERRON GOLD CORPORATION

DEFENDANT(S) INFORMATION

DEFENDANT #1
Name: GSR MINING CORPORATION
Address: 103 GOVERNMENT ROAD EAST KIRKLAND LAKE ONTARIO P2N 1A9
Tel:
Fax:
E-mail:

DEFENDANT #2
Name: AJ PERRON GOLD CORPORATION
Address: 1 KERR CR DR VIRGINIATOWN ONTARIO P0K 1X0
Tel:
Fax:
E-mail:

CREDITOR(S) INFORMATION

CREDITOR #1
Surname:
Given Name(s):
Company Name: UNITED STEELWORKERS OF AMERICA LOCAL 9283
Address: SUITE 30000 C/O FOGLER, RUBINOFF LLP
77 KING STREET WEST
P.O. BOX 95 TORONTO ONTARIO M5K 1G8
Tel:
Fax:
E-mail:

LAWYER INFORMATION

Same as first creditor ? N
Surname: AZEFF
Given Name(s): GREG

Company Name: FOGLER, RUBINOFF LLP
Address: SUITE 3000 77 KING STREET WEST
P.O. BOX 95 TORONTO ONTARIO M5K 1G8
Tel: 4168649700
Fax: 4169418852
E-mail:

JUGMENT(S) INFORMATION

JUDGMENT #1
Currency: CDN
Amount: 49902.19
Interest rate: 8.0000
Start date: 1995-11-09
Debtor: --ALL DEBTORS--
Comments:

Cost Currency: CDN
Cost Amount:
Cost Interest rate:
Cost Start Date:
Cost Comments:

JUDGMENT #2
Currency: CDN
Amount: 235.40
Interest rate: 8.0000
Start date: 1995-11-09
Debtor: --ALL DEBTORS--
Comments:

EACH PARTY PAY ONE-HALF OF THE ACCOUNT FOR FEES AND EXPENSES, BEING AN AMOUNT DUE FROM EACH PARTY OF \$235.40
Cost Currency: CDN
Cost Amount:
Cost Interest rate:
Cost Start Date:
Cost Comments:

PAYMENT(S) INFORMATION

Matter Number:15/1036 GA

NOTES

--- END OF REPORT ---

BASIC INFORMATION

Writ Type: WRIT OF SEIZURE AND SALE (FORM 60A)
Enforcement Office(s):
HAILEYBURY

Is this judgment a result of a Restitution Order: N
Provincial Filer: N
Court file #: 97-MU-16879
Jurisdiction: Toronto-SCJ
Judgment Date: 1997-04-02
Paper Based Writ: N

DEBTOR(S) INFORMATION

DEBTOR #1
Surname:
Given Name(s):
Birth Date:
Company Name: GSR MINING CORPORATION

DEBTOR #2
Surname:
Given Name(s):
Birth Date:
Company Name: AJ PERRON GOLD CORPORATION

DEFENDANT(S) INFORMATION

DEFENDANT #1
Name: GSR MINING CORPORATION
Address: 103 GOVERNMENT ROAD EAST KIRKLAND LAKE ONTARIO P2N 1A9
Tel:
Fax:
E-mail:

DEFENDANT #2
Name: AJ PERRON GOLD CORPORATION
Address: 1 KERR CR DR VIRGINIATOWN ONTARIO P0K 1X0
Tel:
Fax:
E-mail:

CREDITOR(S) INFORMATION

CREDITOR #1
Surname:
Given Name(s):
Company Name: UNITED STEELWORKERS OF AMERICA LOCAL 9283
Address: SUITE 3000 C/O FOGLER, RUBINOFF LLP
77 KING STREET WEST
P.O. BOX 95 TORONTO ONTARIO M5K 1G8
Tel:
Fax:
E-mail:

LAWYER INFORMATION
Same as first creditor ? N
Surname: AZEFF
Given Name(s): GREG

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Company Name: FOGLER, RUBINOFF LLP
Address: SUITE 3000 77 KING STREET WEST
P.O. BOX 95 TORONTO ONTARIO M5K 1G8
Tel: 4168649700
Fax: 4169418852
E-mail:

JUGMENT(S) INFORMATION

JUDGMENT #1
Currency: CDN
Amount: 7109.70
Interest rate: 5.0000
Start date: 1997-02-21
Debtor: --ALL DEBTORS--
Comments:

Cost Currency: CDN
Cost Amount:
Cost Interest rate:
Cost Start Date:
Cost Comments:

JUDGMENT #2
Currency: CDN
Amount: 19278.00
Interest rate: 5.0000
Start date: 1997-02-21
Debtor: --ALL DEBTORS--
Comments:

Cost Currency: CDN
Cost Amount:
Cost Interest rate:
Cost Start Date:
Cost Comments:

PAYMENT(S) INFORMATION

Matter Number:15/1036 GA

NOTES

--- END OF REPORT ---

tab X

This is Exhibit "X" referred to in the Affidavit of Michael Berns sworn
April 4, 2016

Rebecca Hedaya

Notary Public



CORPORATION OF THE
TOWNSHIP OF McGARRY



PHONE: (705) 634-2145 FAX: (705) 634-2700
EMAIL: treasure@ntl.sympatlco.ca WEBSITE: www.mcgarry.ca

27 WEBSTER STREET
P.O. BOX 99, VIRGINIATOWN, ONTARIO P0K 1X0

March 22nd, 2016

Gold Candle Ltd.
77 King Street West
TD Centre North Tower,
P.O. Box 95
Toronto, Ontario
M5K 1G8

Attention: Michael Berns, President

Dear Sir,

**RE: Outstanding Property Tax Liability / Township of McGarry
GSR Mining Corporation and AJ Perron Gold. Corp. (together, the "Debtors")
Kerr-Addison Mine**

As you are aware, pursuant to the *Municipal Act* (Ontario), the Township of McGarry is owed an amount of \$124,301.73 by the Debtors in respect of taxes assessed against the parcels listed on the attached Schedule "A" as of the date hereof.

The Township remains fully supportive of the intention and efforts of Gold Candle Ltd. ("Gold Candle") to recommence development, exploration and operation of the Kerr-Addison Mine.

We trust that the foregoing is satisfactory. Please do not hesitate to contact the undersigned with any questions or comments you may have.

Regards,

Mayor Clermont Lapointe,
Township of McGarry

SCHEDULE "A"

1. From Roll No. 5458 000 004 14300 0000 to Roll No. 5458 000 004 14300 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 14300 0000	MCGARRY MC HS134 T8863 PCL	61224-1302 (LT)

2. From Roll No. 5458 000 004 16800 0000 to Roll No. 5458 000 004 16800 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 16800 0000	MCGARRY MC HF405PT T1861	61224-0504 (LT)

3. From Roll No. 5458 000 004 17400 0000 to Roll No. 5458 000 004 17400 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 17400 0000	MCGARRY MC HF37 T2018	61224-1344 (LT)

4. From Roll No. 5458 000 004 17300 0000 to Roll No. 5458 000 004 17300 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 17300 0000	MCGARRY MC L30133PT PCL	61224-1348 (LT)

5. From Roll No. 5458 000 004 17200 0000 to Roll No. 5458 000 004 17200 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 17200 0000	MCGARRY MC LM3PT T2178 PCL	61224-1350 (LT)

6. From Roll No. 5458 000 004 17100 0000 to Roll No. 5458 000 004 17100 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 17100 0000	MCGARRY MC L30132PT PCL	61224-1352 (LT)

7. From Roll No 5458 000 004 17000 0000 to Roll No. 5458 000 004 17000 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 17000 0000	MCGARRY MC L30131 PT	61224-1322 (LT)

8. From Roll No. 5458 000 004 15000 0000 to Roll No. 5458 000 004 15000 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 15000 0000	MCGARRY MC HS133PT T8861	61224-1342 (LT)

9. From Roll No. 5458 000 004 13800 0000 to Roll No. 5458 000 004 13800 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 13800 0000	MCGARRY MC HF404PT & MC HJB	61224-0531 (LT)

10. From Roll No. 5458 000 004 13700 0000 to Roll No. 5458 000 004 13700 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 13700 0000	MCGARRY MC HJB28PT T1749	61224-1324 (LT)

11. From Roll No. 5458 000 004 13500 0000 to Roll No. 5458 000 004 13500 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 13500 0000	MCGARRY MC HF33PT T1814	61224-0536 (LT)

12. From Roll No. 5458 000 004 13400 0000 to Roll No. 5458 000 004 13400 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 13400 0000	MCGARRY MC HJB1PT L821	61224-0534 (LT)

13. From Roll No. 5458 000 004 11900 0000 to Roll No. 5458 000 004 11900 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 11900 0000	MCGARRY MC L31160PT	61224-0241 (LT)

14. From Roll No. 5458 000 004 11800 0000 to Roll No. 5458 000 004 11800 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 11800 0000	MCGARRY MC L36321	61224-0242 (LT)

15. From Roll No. 5458 000 004 09000 0000 to Roll No. 5458 000 004 09000 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 09000 0000	MCGARRY MC L27044PT	61224-0240 (LT)

16. From Roll No. 5458 000 004 19000 0000 to Roll No. 5458 000 004 19000 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 19000 0000	MCGARRY PT MC L5413	61224-0512 (LT)

17. From Roll No. 5458 000 004 16801 0000 to Roll No. 5458 000 004 16801 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 16801 0000	MCGARRY MC HF406PT T8188	61224-0504 (LT)

18. From Roll No. 5458 000 004 07500 0000 to Roll No. 5458 000 004 07500 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 07500 0000	MCGARRY MC L31162PT	61224-0239 (LT)

19. From Roll No. 5458 000 004 16900 0000 to Roll No. 5458 000 004 16900 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 16900 0000	MCGARRY MC HS180 PT	61224-1326 (LT)

20. From Roll No. 5458 000 004 12300 0000 to Roll No. 5458 000 004 12300 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 12300 0000	MCGARRY HS135 T8862	61224-0786 (LT)

21. From Roll No. 5458 000 004 09300 0000 to Roll No. 5458 000 004 09300 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 09300 0000	MCGARRY MC HJB33 T1839	61224-0786 (LT)

22. From Roll No. 5458 000 004 12100 0000 to Roll No. 5458 000 004 12100 9999

<u>Roll Number</u>	<u>Property Location</u>	<u>PIN</u>
5458 000 004 12100 0000	MCGARRY T1904 HJB32	61224-0786 (LT)

GOLD CANDLE LTD.

Applicant

-and- GSR MINING CORPORATION and AJ PERRON GOLD CORP.

Respondents

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF MICHAEL BERNS

Fogler, Rubinoff LLP

77 King Street West
Suite 3000
P.O. Box 95
Toronto-Dominion Centre
77 King Street West, Suite 3000
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Gregory R. Azeff (LSUC# 45324C)

Tel: (416) 365-3716 / Email: gazeff@foglers.com

Fax: (416) 864-9700

Lawyers for the Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) TUESDAY, THE 3rd
)
JUSTICE) DAY OF MAY, 2016
)

GOLD CANDLE LTD.

Applicant

-and-

GSR MINING CORPORATION and AJ PERRON GOLD CORP.

Respondents

**ORDER
(appointing Receiver)**

THIS MOTION made by the Applicant for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing A. Farber & Partners Inc. as receiver (in such capacity, the "Receiver") without security, of the real property of GSR Mining Corporation and AJ Perron Gold Corp. (together, the "Debtors") listed at Schedule "A" hereto (the "Property") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Berns sworn April 4, 2016 and the Exhibits thereto, and the Pre-Filing Report of the proposed receiver, A. Farber & Partners Inc., and on hearing the submissions of counsel for the Applicant, no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of A. Farber & Partners Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 101 of the CJA, A. Farber & Partners Inc. is hereby appointed Receiver, without security, of the Property.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (e) to settle, extend or compromise any indebtedness owing to the Debtors;
- (f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (g) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (h) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (i) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (j) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (k) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- (l) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (m) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (n) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their respective current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to

the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal

information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may

consider necessary or desirable, provided that the outstanding principal amount does not exceed \$150,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Appendix "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further

orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

33. THIS COURT ORDERS that leave is granted in respect of the registration of the writs bearing Filing ID numbers 27557674 and 27556996 *nunc pro tunc*.

APPENDIX "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that A. Farber & Partners Inc., the receiver (the "Receiver") of the assets, undertakings and properties of GSR Mining Corporation and AJ Perron Gold Corp. (together, the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2016.

A. Farber & Partners Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SCHEDULE "A"

FEE SIMPLE MINING CLAIMS

1. PIN 61224 – 0520 LT, Description PCL 5357 SEC CST; A FRACTIONAL AREA LYING BTN MINING CLAIM HF37 (T2018) & LM3 (T2178) MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
2. PIN 61224 – 0507 LT, Description PCL 5603 SEC NND; MINING CLAIM HJB28 MCGARRY SITUATE ABOUT A QUARTER OF A MILE N OF REDDICKS BAY OF LARDER LAKE MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
3. PIN 61224 – 0530 LT, Description PCL 5617 SEC NND; MINING CLAIM HJB29 MCGARRY MRO SITUATE N OF REDDICKS BAY OF LARDER LAKE; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
4. PIN 61224 – 0522 LT, Description PCL 237 SEC CST; MINING CLAIM HS133 MCGARRY MRO, T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
5. PIN 61224 – 0537, Description PCL 5614 SEC NND; MINING CLAIM HF33 MCGARRY MRO SITUATE ON REDDICKS BAY OF LARDER LAKE EXCEPTING FROM WITHIN THE LIMITS OF SAID CLAIM THE SURFACE RIGHTS ON AND OVER A STRIP OF LAND ONE CHAIN IN PERPENDICULAR WIDTH ALONG THE SHORE OF THE SAID LAKE FOR USE AS A RDAL; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
6. PIN 61224 – 0518 LT, Description PCL 6349 SEC NND; MINING CLAIM 3LM MCGARRY MRO SITUATE N OF NE ARM OF LARDER LAKE, S/T LT44534 TRANSFERRED BY LT82309; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
7. PIN 61224 – 0019 LT, Description PCL 5394 SEC CST; MINING CLAIM L25206 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
8. PIN 61224 – 0041 LT, Description PCL 5395 SEC CST; MINING CLAIM L25207 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
9. PIN 61224 – 0244 LT, Description PCL 5401 SEC CST; PT MINING CLAIM L27044 MCGARRY MRO NOT COVERED BY THE WATERS OF LARDER LAKE; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
10. PIN 61224 – 0516 LT, Description PCL 5479 SEC CST; MINING CLAIM L30131 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
11. PIN 61224 – 0524 LT, Description PCL 6051 SEC CST; MINING CLAIM L30133 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
12. PIN 61224 – 0525 LT, Description PCL 5480 SEC CST; MINING CLAIM L30132 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
13. PIN 61224 – 0243 LT, Description PCL 6080 SEC CST; PT MINING CLAIM L31162 MCGARRY MRO NOT COVERED BY THE WATERS OF THE NE ARM OF LARDER LAKE; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING

14. PIN 61224 – 0245 LT, Description PCL 6079 SEC CST; PT MINING CLAIM L31160 MCGARRY MRO NOT COVERED BY THE WATERS OF THE NE ARM OF LARDER LAKE; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
15. PIN 61224 – 0644 LT, Description PCL 6067 SEC CST; MINING CLAIM L36321 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
16. PIN 61224 – 0170 LT, Description PCL 7655 SEC CST; MINING CLAIM L8863 MCGARRY (FORMERLY HS134) MRO AS IN LT95989; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
17. PIN 61224 – 0527 LT, Description PCL 7831 SEC NND; MINING CLAIM HS164 MCGARRY MRO; MINING CLAIM HS165 MCGARRY MRO; MINING CLAIM HS166 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
18. PIN 61224 – 0533 LT, Description PCL 12881 SEC CST; MINING CLAIM HF405 MCGARRY; MINING CLAIM HF406 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
19. PIN 61224 – 1145 LT, Description PCL 12883 SEC CST; MINING CLAIM L5413 MCGARRY MRO EXCEPT LT108186; MCGARRY; DISTRICT OF TIMISKAMING
20. PIN 61224 – 0016 LT, Description PCL 12880 SEC CST; MINING CLAIM L42041 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
21. PIN 61224 – 0014 LT, Description PCL 12884 SEC CST; MINING CLAIM L25205 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
22. PIN 61224 – 0532 LT, Description PCL 12881 SEC CST; MINING CLAIM HF404 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
23. PIN 61224 – 0575 LT, Description PCL 12865 SEC CST; MINING CLAIM L5414 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
24. PIN 61224 – 0577 LT, Description PCL 12866 SEC CST; MINING CLAIM L6625 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
25. PIN 61224 – 0641 LT, Description PCL 12867 SEC CST; MINING CLAIM L19984 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
26. PIN 61224 – 0075 LT, Description PCL 12868 SEC CST; MINING CLAIM L5415 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
27. PIN 61224 – 0573 LT, Description PCL 12869 SEC CST; MINING CLAIM L6623 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
28. PIN 61224 – 0074 LT, Description PCL 12870 SEC CST; MINING CLAIM L6624 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
29. PIN 61224 – 0060 LT, Description PCL 12871 SEC CST; MINING CLAIM L31550 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
30. PIN 61224 – 0574 LT, Description PCL 12872 SEC CST; MINING CLAIM L31551 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING

31. PIN 61224 – 0576 LT, Description PCL 12873 SEC CST; MINING CLAIM L31552 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
32. PIN 61224 – 0638 LT, Description PCL 12874 SEC CST; MINING CLAIM L25854 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
33. PIN 61224 – 0623 LT, Description PCL 12875 SEC CST; MINING CLAIM L24371 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
34. PIN 61224 – 0624 LT, Description PCL 12876 SEC CST; MINING CLAIM L24181 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
35. PIN 61224 – 0639 LT, Description PCL 12877 SEC CST; MINING CLAIM L39754 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
36. PIN 61224 – 0645 LT, Description PCL 12878 SEC CST; MINING CLAIM HS180 MCGARRY (L891) MRO SITUATE ABOUT HALF A MILE N OF NE ARM OF LARDER LAKE; MCGARRY; DISTRICT OF TIMISKAMING
37. PIN 61224 – 0152 LT, Description PCL 7530 SEC NND; MINING CLAIM HF37 MCGARRY MRO SITUATE ONE MILE N OF THE NE ARM OF LARDER LAKE T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
38. PIN 61224 – 0008 LT, Description PCL 12879 SEC CST; MINING CLAIM L42040 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
39. PIN 61224 – 0535 LT, Description PCL 12882 SEC CST; MINING CLAIM HJB1 MCGARRY MRO SITUATE N OF REDDICKS BAY, LARDER LAKE EXCEPTING THE LAND COVERED WITH THE WATER OF BEAR CREEK; MCGARRY; DISTRICT OF TIMISKAMING
40. PIN 61224 – 0647 LT, Description PCL 233 SEC CST; MINING CLAIM HS135 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
41. PIN 61224 – 0634 LT, Description PCL 5460 SEC CST; MINING CLAIM L26338 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
42. PIN 61224 – 0622 LT, Description PCL 10700 SEC CST; MINING CLAIM L26339 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
43. PIN 61224 – 0620 LT, Description PCL 10701 SEC CST; MINING CLAIM L26340 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
44. PIN 61224 – 1242 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L30762 MCGARRY; DISTRICT OF TIMISKAMING;
45. PIN 61224 – 0637 LT, Description PCL 6093 SEC CST; MINING CLAIM L30763 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
46. PIN 61224 – 0621 LT, Description PCL 6896 SEC CST; MINING CLAIM L32753 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
47. PIN 61224 – 1244 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32754 MCGARRY; DISTRICT OF TIMISKAMING

48. PIN 61224 – 1246 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32755 MCGARRY; DISTRICT OF TIMISKAMING
49. PIN 61224 – 1248 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32764 MCGARRY; DISTRICT OF TIMISKAMING
50. PIN 61224 – 1256 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32765; MCGARRY; DISTRICT OF TIMISKAMING;
51. PIN 61224 – 1250 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32766 MCGARRY; DISTRICT OF TIMISKAMING
52. PIN 61224 – 1252 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32767 MCGARRY; DISTRICT OF TIMISKAMING
53. PIN 61224 – 1258 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L33017 MCGARRY; DISTRICT OF TIMISKAMING
54. PIN 61224 – 0617 LT, Description PCL 6908 SEC CST; MINING CLAIM L33018 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
55. PIN 61224 – 0618 LT, Description PCL 6909 SEC CST; MINING CLAIM L33019 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
56. PIN 61224 – 0616 LT, Description PCL 6897 SEC CST; MINING CLAIM L33021 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
57. PIN 61224 – 1254 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L33022 MCGARRY; DISTRICT OF TIMISKAMING;
58. PIN 61224 – 0615 LT, Description PCL 6899 SEC CST; MINING CLAIM L33023 MCGARRY MRO EXCEPT THEREOUT AND THEREFROM THE SRO ON AND OVER THE TRAVELLED RD PASSING THROUGH THE SAID CLAIM; MCGARRY ; DISTRICT OF TIMISKAMING
59. PIN 61224 – 0619 LT, Description PCL 7314 SEC CST; MINING CLAIM L35529 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
60. PIN 61224 – 0273 LT, Description PCL 7329 SEC CST; MINING CLAIM L35568 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
61. PIN 61224 – 0648 LT, Description PCL 4822 SEC CST; MINING CLAIM L35619 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
62. PIN 61224 – 0642 LT, Description PCL 5601 SEC NND; MINING CLAIM HJB30 MCGARRY MRO SITUATE ON REDDICKS BAY ON LARDER LAKE T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
63. PIN 61224 – 0625 LT, Description PCL 6911 SEC CST; MINING CLAIM L40049 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
64. PIN 61224 – 0646 LT, Description PCL 5602 SEC NND; MINING CLAIM HJB31 MCGARRY MRO SITUATE ON REDDICKS, BAY OF LARDER LAKE; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING

65. PIN 61224 – 1146 LT, Description PCL 3635 SEC NND; MINING CLAIM HJB33 MCGARRY; MINING CLAIM HJB32 MCGARRY SITUATE ON REDDICKS BAY OF LARDER LAKE MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
66. PIN 61224 – 0528 LT, Description PCL 7613 SEC CST; MINING CLAIM HJB29 MCGARRY SRO SITUATE N OF REDDICKS BAY OF LARDER LAKE EXCEPT LT90719, PL M168TIM, PT 1 54R4458; MCGARRY; DISTRICT OF TIMISKAMING
67. PIN 61224 – 0538 LT, Description PCL 4951 SEC CST; MINING CLAIM HJB30 MCGARRY SRO SITUATE ON REDDICKS BAY ON LARDER LAKE, RESERVING THE SURFACE RIGHTS ON AND OVER A STRIP OF LAND FOR USE AS A RDAL ONE CHAIN IN PERPENDICULAR WIDTH ALONG THE SHORE OF REDDICKS BAY; MINING CLAIM HJB31 MCGARRY SRO SITUATE ON REDDICKS BAY OF LARDER LAKE, RESERVING FROM THE LIMITS OF SAID CLAIM THE SURFACE RIGHTS ON AND OVER A STRIP OF LAND ONE CHAIN IN PERPENDICULAR WIDTH LAID OUT ALONG THE SHORE OF REDDICKS BAY FOR A RDAL; MINING CLAIM HS164 MCGARRY; MINING CLAIM HS165 MCGARRY SRO EXCEPT LT65772, LT71843, LT87811, LT87812, LT90080, LT90719, LT91775, LT94817, LT96540, PL M168TIM, LT113740, LT116588, LT124208, LT128267, PL M302TIM, PT 1 & 2 54R2862; S/T LT96461; MCGARRY; DISTRICT OF TIMISKAMING
68. PIN 61224 – 0526 LT, Description PCL 7616 SEC CST; MINING CLAIM HS166 MCGARRY SRO EXCEPT LT90719, PL M168TIM; MCGARRY; DISTRICT OF TIMISKAMING

LEASEHOLD MINING CLAIMS

1. PIN 61224 - 0649 LT, Description PCL 5557 SEC LTIM; MINING CLAIM L565393 MCGARRY MRO; MINING CLAIM L565452 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 1 & 2 54R2864; T/W TC7145; MCGARRY; DISTRICT OF TIMISKAMING
2. 61224 - 1141 LT, Description PCL 5557 SEC LTIM; MINING CLAIM L555936 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 4 54R2864; T/W TC7145; MCGARRY; DISTRICT OF TIMISKAMING
3. 61224 - 0650 LT, Description PCL 5557 SEC LTIM; MINING CLAIM L571399 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 3 54R2864; T/W TC7145; MCGARRY; DISTRICT OF TIMISKAMING
4. PIN 61224 - 1144 LT, Description PCL 5566 SEC LTIM; MINING CLAIM L524842 MCGARRY; MINING CLAIM L535241 MCGARRY; MINING CLAIM L545426 MCGARRY; MINING CLAIM L545899 MCGARRY; MINING CLAIM L548672 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 1 TO 5 54R2863; T/W TC7159; MCGARRY; DISTRICT OF TIMISKAMING

UNPATENTED MINING CLAIMS

1. L4256039, Township of McGarry
2. L4249078, Township of McGarry

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) TUESDAY, THE 3RD
)
JUSTICE) DAY OF MAY, 2016
)

B E T W E E N:

GOLD CANDLE LTD.

Applicant

-and-

GSR MINING CORPORATION and AJ PERRON GOLD CORP.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Gold Candle Ltd. for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between A. Farber & Partners Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of GSR Mining Corporation and AJ Perron Gold. Corp. (the "Debtors") and Gold Candle Ltd. (the "Purchaser") dated April ●, 2016 and appended to the Pre-Filing Report of the Proposed Receiver dated April ●, 2016 (the "Report"), and vesting in the Purchaser the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Michael Berns sworn April 4, 2016 and the Exhibits thereto and the Report and on hearing the submissions of counsel for the Applicant, [NAMES

OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice [NAME] dated [DATE]; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*], the Land Registrar is hereby directed to enter the

Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

GOLD CANDLE LTD.

Applicant

-and-

GSR MINING CORPORATION and AJ PERRON GOLD CORP.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable [NAME OF JUDGE] of the Ontario Superior Court of Justice (the "Court") dated [DATE OF ORDER], [NAME OF RECEIVER] was appointed as the receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor").

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "Sale Agreement") between the Receiver [Debtor] and [NAME OF PURCHASER] (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

A. FARBER & PARTNERS INC., in its capacity as Receiver of the undertaking, property and assets of GSR Mining Corporation and AJ Perron Gold Corp., and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Purchased Assets

Schedule C – Claims to be deleted and expunged from title to Real Property

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

SCHEDULE "B"

FEE SIMPLE MINING CLAIMS

1. PIN 61224 – 0520 LT, Description PCL 5357 SEC CST; A FRACTIONAL AREA LYING BTN MINING CLAIM HF37 (T2018) & LM3 (T2178) MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
2. PIN 61224 – 0507 LT, Description PCL 5603 SEC NND; MINING CLAIM HJB28 MCGARRY SITUATE ABOUT A QUARTER OF A MILE N OF REDDICKS BAY OF LARDER LAKE MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
3. PIN 61224 – 0530 LT, Description PCL 5617 SEC NND; MINING CLAIM HJB29 MCGARRY MRO SITUATE N OF REDDICKS BAY OF LARDER LAKE; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
4. PIN 61224 – 0522 LT, Description PCL 237 SEC CST; MINING CLAIM HS133 MCGARRY MRO, T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
5. PIN 61224 – 0537, Description PCL 5614 SEC NND; MINING CLAIM HF33 MCGARRY MRO SITUATE ON REDDICKS BAY OF LARDER LAKE EXCEPTING FROM WITHIN THE LIMITS OF SAID CLAIM THE SURFACE RIGHTS ON AND OVER A STRIP OF LAND ONE CHAIN IN PERPENDICULAR WIDTH ALONG THE SHORE OF THE SAID LAKE FOR USE AS A RDAL; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
6. PIN 61224 – 0518 LT, Description PCL 6349 SEC NND; MINING CLAIM 3LM MCGARRY MRO SITUATE N OF NE ARM OF LARDER LAKE, S/T LT44534 TRANSFERRED BY LT82309; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
7. PIN 61224 – 0019 LT, Description PCL 5394 SEC CST; MINING CLAIM L25206 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
8. PIN 61224 – 0041 LT, Description PCL 5395 SEC CST; MINING CLAIM L25207 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
9. PIN 61224 – 0244 LT, Description PCL 5401 SEC CST; PT MINING CLAIM L27044 MCGARRY MRO NOT COVERED BY THE WATERS OF LARDER LAKE; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
10. PIN 61224 – 0516 LT, Description PCL 5479 SEC CST; MINING CLAIM L30131 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
11. PIN 61224 – 0524 LT, Description PCL 6051 SEC CST; MINING CLAIM L30133 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
12. PIN 61224 – 0525 LT, Description PCL 5480 SEC CST; MINING CLAIM L30132 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
13. PIN 61224 – 0243 LT, Description PCL 6080 SEC CST; PT MINING CLAIM L31162 MCGARRY MRO NOT COVERED BY THE WATERS OF THE NE ARM OF LARDER LAKE; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING

14. PIN 61224 – 0245 LT, Description PCL 6079 SEC CST; PT MINING CLAIM L31160 MCGARRY MRO NOT COVERED BY THE WATERS OF THE NE ARM OF LARDER LAKE; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
15. PIN 61224 – 0644 LT, Description PCL 6067 SEC CST; MINING CLAIM L36321 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
16. PIN 61224 – 0170 LT, Description PCL 7655 SEC CST; MINING CLAIM L8863 MCGARRY (FORMERLY HS134) MRO AS IN LT95989; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
17. PIN 61224 – 0527 LT, Description PCL 7831 SEC NND; MINING CLAIM HS164 MCGARRY MRO; MINING CLAIM HS165 MCGARRY MRO; MINING CLAIM HS166 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
18. PIN 61224 – 0533 LT, Description PCL 12881 SEC CST; MINING CLAIM HF405 MCGARRY; MINING CLAIM HF406 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
19. PIN 61224 – 1145 LT, Description PCL 12883 SEC CST; MINING CLAIM L5413 MCGARRY MRO EXCEPT LT108186; MCGARRY; DISTRICT OF TIMISKAMING
20. PIN 61224 – 0016 LT, Description PCL 12880 SEC CST; MINING CLAIM L42041 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
21. PIN 61224 – 0014 LT, Description PCL 12884 SEC CST; MINING CLAIM L25205 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
22. PIN 61224 – 0532 LT, Description PCL 12881 SEC CST; MINING CLAIM HF404 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
23. PIN 61224 – 0575 LT, Description PCL 12865 SEC CST; MINING CLAIM L5414 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
24. PIN 61224 – 0577 LT, Description PCL 12866 SEC CST; MINING CLAIM L6625 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
25. PIN 61224 – 0641 LT, Description PCL 12867 SEC CST; MINING CLAIM L19984 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
26. PIN 61224 – 0075 LT, Description PCL 12868 SEC CST; MINING CLAIM L5415 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
27. PIN 61224 – 0573 LT, Description PCL 12869 SEC CST; MINING CLAIM L6623 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
28. PIN 61224 – 0074 LT, Description PCL 12870 SEC CST; MINING CLAIM L6624 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
29. PIN 61224 – 0060 LT, Description PCL 12871 SEC CST; MINING CLAIM L31550 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
30. PIN 61224 – 0574 LT, Description PCL 12872 SEC CST; MINING CLAIM L31551 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING

31. PIN 61224 – 0576 LT, Description PCL 12873 SEC CST; MINING CLAIM L31552 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
32. PIN 61224 – 0638 LT, Description PCL 12874 SEC CST; MINING CLAIM L25854 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
33. PIN 61224 – 0623 LT, Description PCL 12875 SEC CST; MINING CLAIM L24371 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
34. PIN 61224 – 0624 LT, Description PCL 12876 SEC CST; MINING CLAIM L24181 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
35. PIN 61224 – 0639 LT, Description PCL 12877 SEC CST; MINING CLAIM L39754 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
36. PIN 61224 – 0645 LT, Description PCL 12878 SEC CST; MINING CLAIM HS180 MCGARRY (L891) MRO SITUATE ABOUT HALF A MILE N OF NE ARM OF LARDER LAKE; MCGARRY; DISTRICT OF TIMISKAMING
37. PIN 61224 – 0152 LT, Description PCL 7530 SEC NND; MINING CLAIM HF37 MCGARRY MRO SITUATE ONE MILE N OF THE NE ARM OF LARDER LAKE T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
38. PIN 61224 – 0008 LT, Description PCL 12879 SEC CST; MINING CLAIM L42040 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
39. PIN 61224 – 0535 LT, Description PCL 12882 SEC CST; MINING CLAIM HJB1 MCGARRY MRO SITUATE N OF REDDICKS BAY, LARDER LAKE EXCEPTING THE LAND COVERED WITH THE WATER OF BEAR CREEK; MCGARRY; DISTRICT OF TIMISKAMING
40. PIN 61224 – 0647 LT, Description PCL 233 SEC CST; MINING CLAIM HS135 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
41. PIN 61224 – 0634 LT, Description PCL 5460 SEC CST; MINING CLAIM L26338 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
42. PIN 61224 – 0622 LT, Description PCL 10700 SEC CST; MINING CLAIM L26339 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
43. PIN 61224 – 0620 LT, Description PCL 10701 SEC CST; MINING CLAIM L26340 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
44. PIN 61224 – 1242 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L30762 MCGARRY; DISTRICT OF TIMISKAMING;
45. PIN 61224 – 0637 LT, Description PCL 6093 SEC CST; MINING CLAIM L30763 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
46. PIN 61224 – 0621 LT, Description PCL 6896 SEC CST; MINING CLAIM L32753 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
47. PIN 61224 – 1244 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32754 MCGARRY; DISTRICT OF TIMISKAMING

48. PIN 61224 – 1246 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32755 MCGARRY; DISTRICT OF TIMISKAMING
49. PIN 61224 – 1248 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32764 MCGARRY; DISTRICT OF TIMISKAMING
50. PIN 61224 – 1256 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32765; MCGARRY; DISTRICT OF TIMISKAMING;
51. PIN 61224 – 1250 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32766 MCGARRY; DISTRICT OF TIMISKAMING
52. PIN 61224 – 1252 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L32767 MCGARRY; DISTRICT OF TIMISKAMING
53. PIN 61224 – 1258 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L33017 MCGARRY; DISTRICT OF TIMISKAMING
54. PIN 61224 – 0617 LT, Description PCL 6908 SEC CST; MINING CLAIM L33018 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
55. PIN 61224 – 0618 LT, Description PCL 6909 SEC CST; MINING CLAIM L33019 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
56. PIN 61224 – 0616 LT, Description PCL 6897 SEC CST; MINING CLAIM L33021 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
57. PIN 61224 – 1254 LT, Description MINING RIGHTS ONLY OF MINING CLAIM L33022 MCGARRY; DISTRICT OF TIMISKAMING;
58. PIN 61224 – 0615 LT, Description PCL 6899 SEC CST; MINING CLAIM L33023 MCGARRY MRO EXCEPT THEREOUT AND THEREFROM THE SRO ON AND OVER THE TRAVELLED RD PASSING THROUGH THE SAID CLAIM; MCGARRY ; DISTRICT OF TIMISKAMING
59. PIN 61224 – 0619 LT, Description PCL 7314 SEC CST; MINING CLAIM L35529 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
60. PIN 61224 – 0273 LT, Description PCL 7329 SEC CST; MINING CLAIM L35568 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
61. PIN 61224 – 0648 LT, Description PCL 4822 SEC CST; MINING CLAIM L35619 MCGARRY MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
62. PIN 61224 – 0642 LT, Description PCL 5601 SEC NND; MINING CLAIM HJB30 MCGARRY MRO SITUATE ON REDDICKS BAY ON LARDER LAKE T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
63. PIN 61224 – 0625 LT, Description PCL 6911 SEC CST; MINING CLAIM L40049 MCGARRY MRO; MCGARRY; DISTRICT OF TIMISKAMING
64. PIN 61224 – 0646 LT, Description PCL 5602 SEC NND; MINING CLAIM HJB31 MCGARRY MRO SITUATE ON REDDICKS, BAY OF LARDER LAKE; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING

65. PIN 61224 – 1146 LT, Description PCL 3635 SEC NND; MINING CLAIM HJB33 MCGARRY; MINING CLAIM HJB32 MCGARRY SITUATE ON REDDICKS BAY OF LARDER LAKE MRO; T/W LT98962; MCGARRY; DISTRICT OF TIMISKAMING
66. PIN 61224 – 0528 LT, Description PCL 7613 SEC CST; MINING CLAIM HJB29 MCGARRY SRO SITUATE N OF REDDICKS BAY OF LARDER LAKE EXCEPT LT90719, PL M168TIM, PT 1 54R4458; MCGARRY; DISTRICT OF TIMISKAMING
67. PIN 61224 – 0538 LT, Description PCL 4951 SEC CST; MINING CLAIM HJB30 MCGARRY SRO SITUATE ON REDDICKS BAY ON LARDER LAKE, RESERVING THE SURFACE RIGHTS ON AND OVER A STRIP OF LAND FOR USE AS A RDAL ONE CHAIN IN PERPENDICULAR WIDTH ALONG THE SHORE OF REDDICKS BAY; MINING CLAIM HJB31 MCGARRY SRO SITUATE ON REDDICKS BAY OF LARDER LAKE, RESERVING FROM THE LIMITS OF SAID CLAIM THE SURFACE RIGHTS ON AND OVER A STRIP OF LAND ONE CHAIN IN PERPENDICULAR WIDTH LAID OUT ALONG THE SHORE OF REDDICKS BAY FOR A RDAL; MINING CLAIM HS164 MCGARRY; MINING CLAIM HS165 MCGARRY SRO EXCEPT LT65772, LT71843, LT87811, LT87812, LT90080, LT90719, LT91775, LT94817, LT96540, PL M168TIM, LT113740, LT116588, LT124208, LT128267, PL M302TIM, PT 1 & 2 54R2862; S/T LT96461; MCGARRY; DISTRICT OF TIMISKAMING
68. PIN 61224 – 0526 LT, Description PCL 7616 SEC CST; MINING CLAIM HS166 MCGARRY SRO EXCEPT LT90719, PL M168TIM; MCGARRY; DISTRICT OF TIMISKAMING

LEASEHOLD MINING CLAIMS

1. PIN 61224 - 0649 LT, Description PCL 5557 SEC LTIM; MINING CLAIM L565393 MCGARRY MRO; MINING CLAIM L565452 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 1 & 2 54R2864; T/W TC7145; MCGARRY; DISTRICT OF TIMISKAMING
2. 61224 - 1141 LT, Description PCL 5557 SEC LTIM; MINING CLAIM L555936 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 4 54R2864; T/W TC7145; MCGARRY; DISTRICT OF TIMISKAMING
3. 61224 - 0650 LT, Description PCL 5557 SEC LTIM; MINING CLAIM L571399 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 3 54R2864; T/W TC7145; MCGARRY; DISTRICT OF TIMISKAMING
4. PIN 61224 - 1144 LT, Description PCL 5566 SEC LTIM; MINING CLAIM L524842 MCGARRY; MINING CLAIM L535241 MCGARRY; MINING CLAIM L545426 MCGARRY; MINING CLAIM L545899 MCGARRY; MINING CLAIM L548672 MCGARRY MRO OF LAND AND LAND UNDER WATER PT 1 TO 5 54R2863; T/W TC7159; MCGARRY; DISTRICT OF TIMISKAMING

UNPATENTED MINING CLAIMS

1. L4256039, Township of McGarry
2. L4249078, Township of McGarry

GOLD CANDLE LTD.
Applicant

-and- GSR MINING CORPORATION and AJ PERRON GOLD CORP.
Respondents

Court File No. CV-16-00011351-00CL

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SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

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