

Court File No.: 35-2193939
Estate No.: 35-2193939

**ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY AND INSOLVENCY)**

IN THE MATTER OF THE PROPOSAL OF
STRIKE MINERALS INC.,
OF THE CITY OF LONDON
IN THE PROVINCE OF ONTARIO

**SUPPLEMENT TO THE THIRD REPORT OF PROPOSAL TRUSTEE
A. FARBER & PARTNERS INC.**

March 29, 2017

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*Lawyers for A. Farber & Partners Inc., in its
capacity as Proposal Trustee of Strike Minerals Inc.*

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**IN THE MATTER OF THE PROPOSAL
OF STRIKE MINERALS INC.**

**A. FARBER & PARTNERS INC.
SUPPLEMENT TO THE THIRD REPORT OF THE
PROPOSAL TRUSTEE**

March 29, 2017

APPENDICES

APPENDIX A: INSTRUMENT NO. AL46760 RE EDWARDS PROPERTY

APPENDIX B: LETTER TO RICHMONT MAR. 22, 2017

APPENDIX C: EMAIL CHAIN WITH RED PINE EXPLORATION

APPENDIX D: PATRICIA MINING APR 5, 2006 PRESS RELEASE

APPENDIX E: EMAIL CHAIN WITH S.BURLETON

PURPOSE OF THIS REPORT

1. The purpose of this supplement (“**Supplementary Report**”) to the Proposal Trustee’s Third Report (the “**Third Report**”) dated March 10, 2017 is to provide an update to this Honourable Court as to the Proposal Trustee’s communication to date with the parties to the net smelter royalty agreement dated February 16, 2000 (the “**NSR Agreement**”) between VenCan Gold Corporation (“**VenCan**”) and River Gold Mines Ltd. (“**River Gold**”) relating to the Edwards Mine, a copy of which is attached as Appendix I to the Third Report.

BACKGROUND

2. A detailed description of the background of these NOI proceedings can be found in the Court materials filed with this Court to date, including the Motion Record of the Proposal Trustee dated March 10, 2017 (the “**Motion Record**”) filed in connection with its motion returnable March 23, 2017.
3. Capitalized terms not defined in this Supplemental Report shall have the meaning ascribed to them in the Third Report.
4. On March 23, 2017 this Honourable Court granted an Order (the “**Approval and Vesting Order**”), *inter alia*:
 - i) authorizing the Proposal Trustee, Strike Minerals Inc. (the “**Company**”) and the Purchaser to complete the transaction contemplated under the Stalking Horse APA between the Company and 2548304 Ontario Inc. (the “**Purchaser**”); and
 - ii) vesting in the Purchaser all of the Company’s right, title, and interest, if any, in the Purchased Assets (as defined in the Stalking Horse APA), free and clear of any and all encumbrances except for Assumed Liabilities (as defined in the Stalking Horse APA).
5. On March 21, 2017, the Proposal Trustee, in consultation with the Purchaser’s counsel, Stikeman Elliott LLP (“**Stikemans**”), determined that Patricia Mining Corp.

(“**Patricia**”) might hold an interest in the NSR Agreement by way of a notice registered under instrument number AL46760 appearing on the Parcel Registry for PIN 31126-0037 (LT). This registration is referenced at Schedule C to the Approval and Vesting Order as a claim to be deleted and expunged from title to Real Property. Up until that point in time the Proposal Trustee was not aware that there were any other parties to the NSR Agreement beyond VenCan and River Gold (now the Company). A copy of Instrument No. AL46760 is attached hereto as **Appendix “A”**.

6. Under the terms of the Stalking Horse APA, the NSR Agreement is an Excluded Liability and, pursuant to the Approval and Vesting Order, the Purchaser intends that the Purchased Assets, as defined therein, to be vested to it free and clear of any rights and interests existing therein (unless otherwise agreed to by the Purchaser), including any rights and/or claims under the NSR Agreement relating to such Purchased Assets.
7. As previously reported to this Court, Red Pine Exploration Inc. (“**Red Pine**”), the successor to VenCan, has been on the Service List for these NOI proceedings since November 2016.
8. The Company itself acquired the Edwards Mine from River Gold in 2002, resulting in the Company also assuming the obligations under the NSR Agreement.
9. Prior to the motion returnable March 23, 2017, the Proposal Trustee conducted further research and learned that Richmont Mines Inc. (“**Richmont**”) acquired Patricia in 2008. Out of an abundance of caution, and as a courtesy, the Proposal Trustee instructed its legal counsel, Aird & Berlis LLP (“**Aird & Berlis**”), to deliver a copy of the Motion Record to Richmont. On March 22, 2017, Aird & Berlis sent a letter to Mr. Steve Burleton, Vice President of Business Development at Richmont, enclosing a copy of the Motion Record. Electronic copies of the letter and Motion Record were also sent to Mr. Burleton and Richmont’s general counsel, Ms. Melissa Tardif, via email at 12:29pm on March 22, 2017. A copy of the letter enclosing the Motion Record is attached hereto as **Appendix “B”**. A copy of the letter was also presented to Honourable Mr. Justice Hainey on March 23, 2017.

10. On the morning of March 23, 2017, Mr. Burleton advised the Proposal Trustee via email that Richmond would not be in a position to respond to the motion returnable that morning and would require time to engage outside counsel to evaluate its position.
11. Aird & Berlis informed the Honourable Mr. Justice Hainey of the recent revelation of Richmond at its scheduled motion on March 23, 2017.
12. On March 23, 2017, the Honourable Mr. Justice Hainey issued the Approval and Vesting Order in the form requested subject to His Honour's endorsement which provided for a period of five (5) business days within which Richmond was required to respond with respect to the NSR Agreement. The five (5) day period expires March 30, 2017.
13. On March 28, 2017, Richmond served a notice of appearance on the Service List indicating that it intended to respond to the Proposal Trustee's motion returnable March 23, 2017.
14. On March 29, 2017, Richmond, through its counsel, Cassels Brock LLP, served its notice of motion (the "**Richmont Motion**") to obtain an Order to, among other things, set aside the provisions of the Approval and Vesting Order vesting off its purported interest in the NSR Agreement which it believes should continue to run with the land and remain an assumed obligation of the Purchaser.

DISCLAIMER

15. The Proposal Trustee has relied upon the financial records and information provided by the Company. The Proposal Trustee has not independently audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information. Accordingly, the Proposal Trustee expresses no opinion or other form of assurance with respect to the information contained in this Supplementary Report. The Proposal Trustee assumes no responsibility or liability for any loss or damage incurred by or caused to any person or entity as a result of the circulation, publication, re-production or use of or reliance upon this Supplementary Report or for any use

which any person or entity makes of this Supplementary Report, or any reliance on or a decision made based upon this Supplementary Report, other than for the express purposes as set out in this Supplementary Report.

16. Pursuant to the E-Service Protocol of the Commercial List, which the Court has approved the Company to adopt in these NOI proceedings, a copy of this Third Report and all other Court materials, Orders and Endorsements issued in these NOI proceedings are, and will be, available on the Proposal Trustee's website at: <http://www.farberfinancial.com/insolvency-engagements/strike-minerals-inc>.

THE RICHMONT MOTION

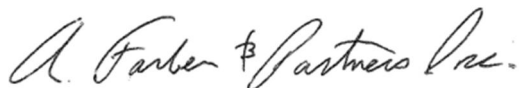
17. Based on the Richmond Motion, Richmond alleges that it holds a 75% interest in the NSR Agreement, with the balance purportedly owned by Red Pine.
18. Red Pine was referred to in the original affidavit of Denis Crane sworn December 6, 2016 filed in support of the Company's motion returnable December 13, 2016. Red Pine has been on the Service List since November 2016 and has been served with all materials since the commencement of these NOI proceedings.
19. Red Pine had not formally responded in these proceedings until March 23, 2017, after service of the Approval and Vesting Order, when Aird and Berlis received an email from a representative of Red Pine. A copy of the email chain with Red Pine is attached hereto as **Appendix "C"**.
20. As previously mentioned, a review of the searches conducted by Stikemans revealed that Patricia registered a notice under instrument number AL46760 in November 2008 with respect to the NSR Agreement without providing a description of its interest.
21. Aird and Berlis has advised the Proposal Trustee that following a general web search it was found that Patricia acquired a 75% interest in the NSR Agreement from Vencan in June 2006 in consideration for approximately \$30,000 and certain shares in

Patricia, some of which is set out in the Richmond Motion. A copy of the relevant press release dated April 5, 2006 is attached hereto as **Appendix “D”**.

22. A further web search conducted by Aird and Berlis also revealed that Patricia was acquired by Richmond pursuant to a Court-approved plan of arrangement under the *Business Corporations Act* (Ontario) in December 2008. No notice was registered on the Edwards property at that time to evidence the change of interest in the NSR Agreement, details of which are outlined in the Richmond Motion.
23. Richmond was listed as a prospective purchaser in the Sales Process. The Proposal Trustee contacted Richmond and provided a copy of the teaser letter setting out the opportunity on December 16, 2016. A subsequent email was sent to Richmond on January 16, 2017.
24. Mr. S. Burleton, Vice President, Business Development at Richmond, called the Proposal Trustee on January 16, 2017 and requested a form of non-disclosure agreement in order to carry out further due diligence. However, on January 17, 2017 Mr. Burleton advised the Proposal Trustee that after further review and consideration Richmond was not interested in the opportunity. Richmond has been aware of these NOI proceedings since December 16, 2016. A copy of the email chain with Mr. Burleton is attached hereto as **Appendix “E”**.
25. The Proposal Trustee now requests the advice and direction from this Honourable Court on how to proceed with Richmond’s requested relief.

All of which is respectfully submitted this 29th day of March, 2017.

A. FARBER & PARTNERS INC. IN ITS CAPACITY AS TRUSTEE
IN RE THE PROPOSAL OF STRIKE MINERALS INC.



Tab A

Properties

PIN31126 - 0037 LT

DescriptionPCL 1861 SEC AL; PT MINING CLAIM SSM490470 JACOBSON; PT MINING CLAIM SSM490471 JACOBSON PT 1-6 1R8155 EXCEPT SRO PT 5 1R8155; SRO ON & OVER STRIPS OF LAND ALONG THE LIMITS OF PT 2 BEING A TRAVELLED ROAD, & WHICH STRIPS OF LAND ARE BOUNDED BY THE SAID LIMITS & BY A LINE EVERY POINT OF WHICH IS DISTANT 91.440 METRES (300 FT) FROM THE NEAREST POINT IN THE SAID LIMITS; SRO ON & OVER A STRIP OF LAND ALONG THE SHORE OF AN UNNAMED POND & WHICH STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF SAID POND & BY A LINE EVERY POINT OF WHICH IS DISTANT 121.920 METRES (400 FT) FROM THE SAID HIGH WATER MARK; DISTRICT OF ALGOMA

AddressJACOBSON

Consideration

Consideration\$0.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

NamePATRICIA MINING CORP.

Address for Service8 King Street East
Suite 1300
Toronto, Ontario
M5C 1B5

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

Statements

This notice is pursuant to Section 71 of the Land Titles Act.
This notice is for an indeterminate period
Schedule: See Schedules

Signed By

Tommy Kapsales40 King Street West, Suite 2100 acting for Signed 2008 11 25
Toronto
M5H 3C2Applicant(s)

Tel4168695300

Fax4163608877

Submitted By

CASSELS BROCK & BLACKWELL LLP40 King Street West, Suite 21002008 11 28
Toronto
M5H 3C2

Tel4168695300

Fax4163608877

Fees/Taxes/Payment

Statutory Registration Fee\$60.00

Total Paid\$60.00

THIS NET SMELTER RETURN ROYALTY dated as of February 16, 2000

BETWEEN:

RIVER GOLD MINES LTD.
(the "Owner")

- and -

VENCAN GOLD CORPORATION
(the "Holder")

WITNESSES THAT:

WHEREAS the Owner acquired from the Holder a 100% undivided leasehold title in and to the Edwards Property (as defined herein) and a 100% undivided fee simple title in and to the Plowman Property (as defined herein).

AND WHEREAS the Edwards Property and the Plowman Property are sometimes collectively herein referred to as the "Property".

AND WHEREAS the Owner has agreed to grant to the Holder a net smelter return royalty payable in kind on all minerals mined, produced or otherwise recovered from the Property.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, it is agreed as follows:

1. Definitions

- (a) "Assaying and Sampling Procedures" means the sampling, assaying, weighing, surveying, stockpiling, mining and milling procedures relating to the Property, which forms part of this Agreement and which is attached hereto as Schedule "A".
- (b) "Calculation Price" means in respect of Minerals credited to the account of the Owner, the Spot Price for such Minerals on the day that the Processor credits the Owner's account with such Minerals or with the cash equivalent dollar value of such Minerals or the Spot Price on the date that the Owner sells Minerals (other than a sale of such Minerals by the Owner in the circumstances of a sale of Minerals after such Minerals have been credited to the account of the Owner by the Processor), as the case may be.
- (c) "Crown Lease" means mining lease No. 106467 dated February 7, 1992 issued by Her Majesty the Queen in Right of the Province of Ontario in respect of the Edwards Property.
- (d) "Edwards Property" means Parcel 1861 Algoma Leasehold, being Ontario leasehold patent mining claims No. SSM490470 and SSM490471 subject to the Crown Lease, Jacobson Township, District of Algoma, Ontario.

- (e) "Encumbrances" means any right, title or interest, including any mortgage, charge, pledge, lien, license, privilege, royalty or security interest.
- (f) "Minerals" means all naturally occurring metallic and non-metallic minerals that are mined, produced or otherwise recovered from the Property by, or on behalf of the Owner, whether in the form of doré bars, concentrates or otherwise, including without limitation, gold, silver, limestone, copper, lead, zinc, natural gas, petroleum, coal, salt and quarry and pit materials, and all beneficiated or derivative products thereof.
- (g) "Net Smelter Returns" means (i) in respect of all Minerals other than gold or silver, net smelter returns calculated in accordance with customary mining industry practices and (ii) in respect of Minerals that are gold and silver, the gross proceeds received by or payable to the Owner from the sale or other disposition of Minerals that are gold or silver (other than in the circumstances of a sale of Product by the Owner after Product has been credited to the account of the Owner at the Processor) or, in the event that the account of the Owner at the Processor is credited with Product refined by the Processor, the gross value of Product so credited to the Owner calculated on the basis of the aggregate quantity of such Product so credited during the relevant time period multiplied by the Spot Price (if applicable), less the following expenses:
 - (i) all taxes based directly on or assessed against the value or quantity of Minerals produced from the Property, including the following:
 - (a) direct sales tax;
 - (b) use taxes;
 - (c) gross receipts taxes;
 - (d) severance taxes; and
 - (e) crown royalties;but excluding any and all taxes based upon the net or gross income of the Owner or other operator of the Property, the value of the Property or the privilege of doing business and other taxes assessed on a similar basis; and
 - (ii) all transportation costs, including related insurance costs, for transportation of Minerals from the River Gold Mill, or any other mill at which ore or Minerals from the Property may be milled, to the Processor, and all direct charges and/or costs charged by any smelter, refiner, mint and/or other Processor of the Minerals, including penalties, if any (provided such charges, costs and/or penalties have not been previously deducted by the Processor). Provided that if the smelting, refining, minting and/or further processing is carried out at facilities owned or controlled, in whole or in part, by the Owner, then the charges and costs for such smelting, refining, minting and/or further processing of such Minerals shall be the lesser of: (A) the charges and costs the Owner would have incurred if such smelting, refining, minting and/or further processing was carried out at facilities that are not owned or controlled by the Owner and that are offering comparable services for comparable products; and (B) the actual charges and costs incurred by the Owner with respect to such smelting, refining, minting and/or further processing;
- (h) "Place of Delivery" means (i) in the case of Product, the place of delivery of Product to or to the account of the Holder at the Processor and (ii) in the case of Minerals other than Product or payment of the Royalty by cash, at the expense of the Holder to such place as the Holder shall direct in writing.
- (i) "Plowman Property" means Parcel 1438, Algoma West Section, being patented mining claim SSM-2183, Jacobson Township, District of Algoma, Ontario.
- (j) "Prime" means at any particular time, the reference rate of interest, expressed as a rate per annum, that the Toronto-Dominion Bank establishes as its prime rate of interest in order to

determine interest rates that it will charge for demand loans in Canadian dollars to its most credit worthy Canadian customers.

- (k) "Processor" means collectively any smelter, refiner, mint or processor or other purchaser or user of the Minerals other than the Owner. At the date of this Agreement The Royal Canadian Mint, Sabin Metals and GD Resources Inc. are the refiners of all Product produced by the Owner from the Property.
- (l) "Product" means Minerals refined to Refined Gold and Refined Silver.
- (m) "Refined Gold" means gold refined to a purity of at least 9999.
- (n) "Refined Silver" means silver refined to a purity of at least 999.
- (o) "River Gold Mill" means the mill owned by the Owner situated in the Mishibishu Lake Area of the Sault Ste. Marie Mining Division of Ontario and formerly known as the Magnacon Mill.
- (p) "Royalty" means the payments to the Holder described in Section 2 of this Agreement.
- (q) "Spot Price" means (i) in respect of Minerals that is gold, the price of gold in U.S. Dollars on the London Bullion Market Afternoon Fix on the day that Product that is Refined Gold is sold by the Owner (other than in the circumstances of a sale of Product by the Owner after Product has been credited to the account of the Owner at the Processor) or credited to the account of the Owner by the Processor, (ii) in respect of Minerals that is silver, the price in U.S. dollars determined by the Processor in purchasing such silver from the Owner or crediting such silver to the account of the Owner, and (iii) for any other Minerals other than gold or silver, the price of such Mineral quoted in U.S. dollars at the close of business on a specified day by the New York Commodity Exchange. If for any reason the London Bullion Market or the New York Commodity Exchange is no longer in operation or the spot price of a particular Mineral is not quoted by the London Bullion Market or the New York Commodity Exchange, the "Spot Price" of such Mineral shall be determined by reference to the price of such Mineral on another similar commercial exchange entity having the largest volume of trading in such Mineral on such day. The exchange rate used to convert a "Spot Price" for any Minerals from U.S. dollars to any other currency on a particular date shall be determined on the basis of the Bank of Canada noon exchange rate for U.S. dollars on such day.
- (r) "Technical Reconciliation Report" means a report produced annually by the Owner and delivered to the Holder by March 31st, which reconciles, as of December 31st at the previous calendar year, the quantities of Minerals produced from the Property stated in ore reserves with mined production and mill performance.

2. Reservation, Purchase and Grant of Royalty

Subject to the terms of this Agreement, the Owner, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Owner, hereby grants and agrees to pay to the Holder an in kind (subject as otherwise provided in this Agreement) royalty at the rate of 3% of Net Smelter Returns. The Owner and the Holder expressly acknowledge and agree that the grant of the royalty referred to in the preceding sentence is effective January 1, 2000, notwithstanding the date of execution of this Agreement.

3. Time and Manner of Royalty Payments

- (a) Subject as otherwise provided in this Agreement, all Royalty payments shall be made in the physical Product in kind free and clear of Encumbrances and the Owner shall irrevocably direct, and cause any person having an Encumbrance in and to the Product, if any, to direct, the Processor to pay the Royalty

directly to the Holder in accordance with the terms of this Agreement, by delivering all Product or other Minerals due and payable to the Holder in respect of Royalty payments to the Place of Delivery. The Owner shall further cause any such person having an Encumbrance in and to the Product or other Minerals, if any, to execute in writing and deliver to and in favour of the Holder an irrevocable release and discharge of all Encumbrances in favour of such person in and to the Product or other Minerals, in order that the Owner may make the Royalty payments by delivery of Product or other Minerals in kind to the Holder free and clear of Encumbrances in accordance with the terms of this Agreement. The Royalty shall be calculated and paid, and the Owner shall cause the Royalty to be calculated and paid, to the Holder as follows:

- (i) in the event that the Processor is to credit the account of the Owner at the Processor with Product, the Processor shall credit 97% of such Product to the account of the Owner at the Processor and shall simultaneously credit 3% of such Product to the account of the Holder at the Processor;
 - (ii) in the event of the sale by the Owner of the Product or other Minerals (other than in the circumstances of a sale of Product or other Minerals by the Owner after such Product or other Minerals have been credited to the account of the Owner at the Processor), the Owner shall calculate and pay to the Holder at the Place of Delivery, within 10 days of the date of such sale, the amount of the Royalty payable to the Holder in accordance with the terms of this Agreement;
 - (iii) the Owner shall be entitled to calculate and invoice the Holder for allowable expenses in calculating Net Smelter Returns and the Holder shall pay such invoiced amounts to the Owner within thirty days of the date of receipt of such invoice by the Holder. In the event that the Holder does not pay such invoices to the Owner within such 30 day period, the Owner shall be entitled to deduct the amount of such outstanding invoices from the next Royalty payment due to the Holder, whether in cash or in kind, and the Holder shall irrevocably authorize and direct the Processor in writing to deduct such amounts from any Royalty payment otherwise to be credited to the account of the Holder and to deposit such amounts to the account of the Owner upon receipt of notice to such effect from the Owner from time to time;
 - (iv) notwithstanding any other provision of this Agreement, payment of the Royalty in respect of Product that is Refined Silver or that is Product that is Refined Gold that is derived from "slag" or any other waste product, shall be made in cash at the Place of Delivery and payment of the Royalty in respect of any Minerals that is not gold or silver shall be made in kind or in cash at the Place of Delivery as is reasonable in the circumstances having regard to customary mining industry practice.
- (b) At the time each Royalty payment is paid to the Holder, the Owner shall prepare and deliver to the Holder a detailed statement of the manner in which such Royalty payment was calculated, including: (i) the quantity of Minerals to which such Royalty payment is applicable; (ii) the calculation of the applicable Net Smelter Returns (subject at all times to further invoices from the Owner to the Holder for allowable expenses in calculating Net Smelter Returns); (iii) if relevant, the Calculation Price paid for the applicable Minerals, and (iv) the calculation of interest accrued thereon, if any. Within 90 days after the end of any calendar year, the Owner shall prepare and deliver to the Holder a statement for such calendar year indicating: (i) the quantities of Minerals sold or otherwise disposed of by the Owner or the amount of Product credited to the account of the Owner, as the case may be; (ii) the quantities of Minerals produced by the Owner from the Property; (iii) the calculation of Net Smelter Returns and interest thereon, if any; and (iv) if relevant, the Calculation Price for the applicable Minerals.
- (c) The Holder may object in writing to any statement, Royalty payment amount and invoice within 2 months after receipt of the relevant statement, payment or invoice. If any Royalty payment has not been properly paid or credited in full as provided herein, the Holder may give to the Owner notice in writing of such default and, unless the Holder has received such payment within 15 business days after receipt of such notice by the Owner, the Owner shall pay interest on the delinquent payment at a rate of Prime plus 2% per annum, commencing on the date on which such delinquent payment was properly due and continuing until the Holder receives payment in full of such delinquent payment and all accrued interest thereon; and for the

purposes of this subsection, Prime shall be determined as of the date on which such delinquent payment was properly due.

- (d) All Royalty payments, including interest and penalties, if any, will be made subject to withholding or deduction in respect of the Royalty for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Canadian Government, the Government of Ontario or any political subdivision thereof or any other governmental authority (foreign or domestic), or department, authority or agency therein or thereof having power and jurisdiction to tax and for which the Processor or Owner is obligated in law to withhold or deduct and remit to such taxing authority having such power and jurisdiction.
- (e) Any additional payment required to be made in respect of the aggregate amount of the Royalty payments paid to the Holder during a fiscal year shall be paid to the Holder, in Minerals in kind or cash, as the case may be, within 10 days after the date on which the Owner's account at the Processor is next credited with such Minerals or the date that the Owner sells the Product or other Minerals (other than in the circumstances of a sale of Product or other Minerals by the Owner after such Product or other Minerals have been credited to the account of the Owner at the Processor), as the case may be.
- (f) The Owner shall notify the Holder in writing at least two weeks prior to any change of Processor.

4. Term

This Agreement shall continue for the balance of the term of the Crown Lease and any renewals thereof in respect of the Edwards Property and in perpetuity in respect of the Plowman Property. If any right, power or interest of either party under this Agreement would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of 20 years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

5. Commingling

There shall be no commingling of any ores or Minerals produced from the Property with the ores or Minerals produced from any other property during the production, milling (concentrating), smelting, refining, minting or further processing of ores or Minerals produced from the Property.

The Owner specifically covenants and agrees with the Holder that it will at all times batch all ores produced from the Property through the River Gold Mill or any substitute mill and not in any way blend or commingle material produced from any other property with ores or Minerals from the Property.

6. Hedging Transactions

All profits and losses resulting from the Owner engaging in any commodity futures trading, option trading, metals trading, gold loans or any combination thereof, and any other hedging transactions (collectively "hedging transactions") are specifically excluded from calculations of Royalty payments pursuant to this agreement. All hedging transactions by the Owner shall only relate to the Owner's share of Minerals and shall be for the Owner's sole account and shall not affect the Holder's royalty which shall be paid in-kind as aforesaid. The Owner covenants to and with the Holder that it will not subject the Holder's Royalty to any hedging transactions.

For greater certainty, the Owner shall only enter into hedging transactions in respect of its share of Minerals produced from the Property after the payment of the Net Smelter Return such that 3% of all Minerals produced, milled, smelted, refined or further processed by it or delivered to any Processor shall not be subject to hedging transactions and shall be available to satisfy each Royalty payment as and when due pursuant to the terms hereof.

7. Stockpiling

The Owner or operator shall be entitled to temporarily stockpile, store or place ores or mined rock containing Minerals produced from the Property in any locations owned by the Owner or the Processor on or off the Property site provided the same are appropriately secured from theft or tampering. Such stockpiling shall be temporary only pending the availability of batch milling and any Minerals produced from the Property once reduced to doré bars or processed to the most advanced stage at the River Gold Mill or elsewhere by the Owner or operator shall be immediately sent to a smelter, refiner, mint or other further processing facility for final treatment and credit to the Owner, at which time the Royalty shall become due and payable in accordance with the terms of this Agreement.

8. Books; Records; Inspections

The Owner shall keep true and accurate books and records of all of its operations and activities with respect to the Property, the operation of the River Gold Mill and the Minerals, prepared on an accrual basis in accordance with Canadian generally accepted accounting principles, consistently applied. The Holder shall be entitled to perform audits or other examinations of the Owner's books and records relevant to the calculation and payment of the Royalty pursuant to this Agreement at least once and no more than twice per calendar year to confirm compliance with the terms of this Agreement, including without limitation, calculations of Net Smelter Returns. In particular, the Holder shall have the right to audit all invoices and other records relating to the transportation of Minerals from the Property to the River Gold Mill or other mill at which ore and Minerals from the Property may be milled (concentrated) and relating to the transportation of Minerals in the form of concentrates, doré, slag or other waste products from the River Gold Mill or other mill at which ore and Minerals from the Property may be milled, to the Processor. The Holder shall promptly commence, and diligently complete, any audit or other examination permitted hereunder. The reasonable expenses of any audit or other examination permitted hereunder shall be paid by the Holder, unless the results of such audit or other examination permitted hereunder disclose a deficiency in respect of the Royalty payments paid to the Holder hereunder in an amount greater than 5% of the amount of the Royalty properly payable, in which event the costs of such audit or other examination shall be paid by the Owner.

In performing such audit the Holder and/or its agents shall have access to all sampling, assay, weighing, and production records, including all geologic, geophysical and/or geochemical maps, plans, sections, surveys (surface and underground) of the Owner relating to the Property and ores and Minerals derived from the Property throughout the production and processing cycle from mine face to final processing (and the Holder shall be allowed to make notes or a photocopy thereof), all of which such records shall be kept by the Owner or operator of the Property in accordance with the Sampling and Assaying Procedures and good mineral industry practice.

The Owner shall provide the Holder with the annual Technical Reconciliation Report describing the total metallurgical balance as it relates (i) to the initially stated and subsequently revised ore reserves in the mine before and after production periods with details of volumes mined, specific gravity of the ore, sampled grades from the various sampling systems and any adjustments made to such data to provide for such reserve estimate; (ii) the determined quantities of ore and its tenor on a wet and dry tonne basis for materials removed from the mine, primary stockpiled and transported to secondary stockpiles; and (iii) the mill performance as to tonnes of wet and dry ore, head grade, tails grade, recovered mineral, losses and quantities in inventory in the mill to arrive at a recovery figure on a daily basis.

9. Rights to Monitor Processing of Minerals

Subject at all times to the workplace rules and supervision of the Owner, and provided any rights of access do not interfere with any exploration, development, mining or milling work conducted on the Property or at the River Gold Mill or other mill at which ore or Minerals from the Property may be processed, the Holder shall at all reasonable times and upon reasonable notice, and at its sole risk and expense, have (a) a right of access by its representatives to the Property and to such mill used by the Owner to process ore or Minerals derived from the Property, whether or not such mill is located on the Property, and (b) the right (i) to monitor the Owner's milling of

ore or Minerals derived from the Property and to take samples from the Property or from the mill for purposes of assay verifications; (ii) to require Minerals to be batch processed with sampling procedures implemented to take into account the crushing and extraction processes, employing good mineral industry practice; and (iii) to weigh all trucks transporting ore from the Property to any mill processing ore and Minerals from the Property prior to said trucks leaving the Property, immediately upon the arrival of such trucks at such mill and prior to dumping of such ore and immediately after such dumping. In the event that the Holder exercises its right to weigh all trucks transporting ore or Minerals from the Property to any mill processing (concentrating) such ore or Minerals, the Holder shall be responsible at its sole expense for the installation and maintenance of all required scales and related equipment at the Property. In the event that the Holder installs such scale at the Property, representatives of the Owner shall cause all trucks transporting ores or Minerals from the Property to be weighed before leaving the Property and such representatives shall record the weight data. In the event any scale installed by the Holder ceases to operate or ceases to operate accurately, the Owner shall forthwith notify the Holder in writing. Notwithstanding that such scale may have ceased to operate or to operate accurately, the Owner shall be entitled to continue to transport ore or Minerals from the Property without weighing the trucks transporting such ore or Minerals prior to leaving the Property.

The Owner shall consolidate the transport of all ore from the Property to the River Gold Mill, or any other mill used to treat ore and Minerals from the Property, and prior to the commencement of any transportation of ore from the Property shall give the Holder at least five days prior written notice of the commencement of such transportation. The Holder shall have the right to have its representatives attend at the Property and mill site on the date(s) scheduled for such transportation to witness the weighing at the Property and the mill site and shall have the right to have a duplicate copy of all weight data.

10. Confidentiality

- (a) Neither party shall, without the express written consent of the other (which consent shall not be unreasonably withheld), disclose any non-public information in respect of the terms of this Agreement or otherwise received under or in conjunction with this Agreement and, in the case of the Holder, concerning Minerals and operations on the Property and at the River Gold Mill, other than to its employees, agents and consultants for purposes related to the administration of this Agreement and no party shall issue any press releases concerning the terms of this Agreement or, in the case of the Holder, in respect of the operations of the Owner, without the consent of the other party after such party having first reviewed the terms of such press release. Each party agrees to reveal such information only to its employees, agents and consultants who need to know, who are informed of the confidential nature of the information and who agree to be bound by the terms of this Section 10. In addition neither party shall use any such information for its own use or benefit except for the purpose of enforcing its rights under this Agreement.
- (b) The parties may disclose data or information obtained under or in conjunction with this Agreement and otherwise prohibited by this Section 10 after providing the other party with a copy of the proposed disclosure and if the other party does not object, acting reasonably, to such disclosure by notice in writing to such party within 48 hours after receipt of such copy:
 - (i) to any third person to whom such party in good faith anticipates selling or assigning its interest hereunder; or
 - (ii) to a prospective lender;

provided that in each case the other parties shall first have been provided with a confidentiality agreement executed by such third party purchaser or lender which agreement shall include the confidentiality provisions of this section. Each party hereby agrees to indemnify and save the other harmless from any damages resulting from any breach of this Section 10 by such party, its employees, agents and consultants or any claim made by third parties receiving information provided hereunder.

- (c) The parties may disclose data or information obtained under this Agreement if required to do so for compliance with applicable laws, rules, regulations or orders of a governmental agency or stock exchange having jurisdiction over such parties, provided that such party shall disclose only such data or information as, in the opinion of its counsel, is required to be disclosed and provided further that where possible (time permitting after reasonable efforts on the part of such disclosing party) the other party shall be given the right to review and object to the data or information to be disclosed prior to any public release subject to any reasonable changes proposed by such other parties.

11. Conduct of Operations

- (a) All decisions concerning methods, the extent, times, procedures and techniques of any (i) exploration, development and mining related to the Property, (ii) leaching, milling, processing, extraction treatment and refining, if any, including, without limitation, the choice of refiner and (iii) materials to be introduced on or to the Property or produced therefrom and, subject to Section 7 hereof, all decisions concerning the sale or other disposition of ore and Minerals from the Property (including, without limitation, decisions as to buyers, times of sale, whether to store or stockpile ore and Minerals derived from the Property for a reasonable length of time without selling, refining or otherwise processing the same) shall be made by the Owner, acting reasonably and in accordance with good mining industry and engineering practices in the circumstances.
- (b) The Owner shall not be responsible for nor obliged to make any Royalty payments for Minerals or Mineral value lost in any mining or processing of the Minerals conducted pursuant to good mining practices. The Owner shall not be required to mine or to preserve or protect the Minerals which under good mining industry practices cannot be mined or shipped at a reasonable profit by the Owner at the time mined.
- (c) The Owner covenants with the Holder that it will at all times while mining or milling or otherwise processing ore and Minerals from the Property adhere to the Sampling and Assaying Procedures set out in Schedule "A" hereto and not materially vary therefrom without the prior written consent of the Holder, which consent shall not be unreasonably withheld provided the variation is in accordance with good mining industry practice.
- (d) The Owner shall appropriately identify all doré bars produced from Minerals from the Property with a distinguishing stamp or mark and any coarse gold, gold powder, gold dust or other gold bearing product shall be placed in appropriate containers which are identified as having been produced from the Property.
- (e) The Owner represents and warrants that as of the date of this Agreement, it is not mining any part of the Property within 30 metres of a party boundary of any property owned by the Holder, and covenants that it will not commence mining on the Property within 30 metres of a party boundary of any property owned by the Holder without first delivering thirty days advance notice in writing to the Holder, and that it shall conduct all mining on the Property in respect of party boundary matters between adjoining underground mining properties in accordance with the provisions of the Mining Act (Ontario) and the Occupational Health and Safety Act (Ontario), and the regulations made pursuant thereto.

12. No Implied Covenants

The parties agree that there are no implied covenants or duties relating to or affecting any of their respective rights or obligations hereunder, and that the only covenants or duties which affect such rights and obligations shall be those expressly set forth and provided for in this Agreement.

13. No Restrictions on Assignment

The Holder shall have the right, at any time and from time to time, to assign, transfer, convey, mortgage, pledge or charge any portion or all of the Royalty and its interest in and to this Royalty Agreement, in its sole discretion, free from any restrictions from the Owner.

14. Registration

It is the express intention of the parties to this Agreement that the Royalty be and is a real property interest and shall run with the title to the Property. The Holder may or may cause, at its own expense, the due registration of this Agreement or notice of this Agreement against the title to the Property. The Owner shall co-operate with such registration and provide its written consent or signature to any documents or things reasonably necessary to accomplish such registration in order to ensure that any successor or assignee or other acquirer of the Property, or any interest therein, shall have public notice of the terms of this Agreement.

15. Dispute Resolution

Any matter in this Agreement in dispute between the parties which has not been resolved by the parties within fifteen (15) days of the delivery of notice by either party of such dispute shall be referred to binding arbitration. Such referral to binding arbitration shall be to three qualified arbitrators. The *Arbitrations Act, 1991* (Ontario) shall govern such arbitration proceedings in accordance with its terms except to the extent modified by the rules for arbitration set out in this Section 15 and in Schedule "B" attached hereto. Each party shall select one arbitrator and the two arbitrators so selected shall select the third arbitrator. The determination of such arbitrators shall be final and binding upon the parties hereto and the costs of such arbitration shall be as determined by the arbitrators. The parties covenant that they shall conduct all aspects of such arbitration having regard at all times to expediting the final resolution of such arbitration. The term "qualified arbitrators" as used herein shall refer to qualified professional persons who have at least ten years of mineral industry experience in the subject matter of the dispute.

16. General Provisions

(a) Further Assurances

Each party shall execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the documents and transactions contemplated in this Agreement, in each case at the cost and expense of the party requesting such further instrument, document or action, unless expressly indicated otherwise.

(b) Binding Effect

All covenants, conditions, and terms of this Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns. In the event that the Owner sells, transfers, charges or assigns the Property or any part thereof, including the Crown Lease and its leasehold interest in and to the Edwards Property, the Owner shall be entitled to charge, novate or assign this Agreement, as the case may be, to such purchaser, transferee, chargee or assignee, provided that the Owner shall ensure that contemporaneous with the consummation of any such sale, transfer, charge or assignment, the Owner shall procure from the transferee or chargee pursuant to such transaction, a written agreement with and in favour of the Holder, in form and content satisfactory to the Holder acting reasonably, wherein such transferee or chargee covenants and agrees to and in favour of the Holder to be bound by the terms and conditions of this Agreement as if it were an original signatory hereto (or in the case of a chargee, to obtain such a written agreement from any transferee of such chargee) and the Holder shall execute all such documentation as is required in respect thereof and the Owner shall thereafter be

released from all obligations pursuant to the terms of this Agreement in respect of that part of the Property so sold, transferred or assigned.

(c) Relationship of the Parties

Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship between the Owner and the Holder.

(d) Governing Law

This Agreement shall be governed by and construed under the laws of the Province of Ontario and the laws of Canada applicable therein.

(e) Time of Essence

Time is of the essence in this Agreement.

(f) Severability

If any provision of this Agreement is wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder of the Agreement which shall be construed as if the Agreement had been executed without the invalid portion. It is hereby declared to be the intention of the parties that this Agreement would have been executed without reference to any portion which may, for any reason, hereafter be declared or held invalid.

(g) Accounting Principles

All calculations hereunder shall be made in accordance with Canadian generally accepted accounting principles as the same may be in effect from time to time.

(h) Notices

Any notice or other communication (in each case, a "Notice") required or permitted to be given hereunder shall be in writing and shall be delivered by hand or transmitted by facsimile transmission addressed to: VenCan Gold Corporation, 111 Richmond Street West, Suite 318, Toronto, Ontario, M5H 2G4 (telecopier no. (416) 364-2752), Attention: the President, in the case of the Holder; and to River Gold Mines Ltd., 25 King Street West, Suite 2800, P.O. Box 368, Commerce Court Postal Stn., Toronto, Ontario, M5L 1G2 (telecopier no. (416) 360-7620), Attention: the President or Secretary, in the case of the Owner. Each of the parties may change the address at which notice is to be given to it pursuant hereto, by giving notice of the change to the other party. Any notice given in accordance with this section, if transmitted by facsimile transmission, shall be deemed to have been received on the next business day following transmission or, if delivered by hand, shall be deemed to have been received when delivered.

(i) Schedules

The schedules which are attached to this Agreement are incorporated into this Agreement by reference and are deemed to form part hereof.

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

RIVER GOLD MINES LTD.

Per: M. B. B. B. a.s.o.

Per: M. B. B. B. a.s.o.

VENCAN GOLD CORPORATION

Per: M. B. B. B. a.s.o.

Per: M. B. B. B. a.s.o.

This is SCHEDULE "A" to the Royalty Agreement

between

RIVER GOLD MINES LTD.

and

VENCAN GOLD CORPORATION

(Assaying and Sampling Procedures)

All mining, sampling, assaying, stockpiling, milling and weighing of ore from the Property and the calculation and reconciliation of quantities of rock mined to Minerals, produced, saved and marketed shall be completed in accordance with good mining industry practice, including the following procedures (all references to "mill" herein means the River Gold Mill as at the date of this Agreement):

A. EXPLORATION

Surface and Underground Drilling

All holes or openings penetrating within 30 metres of the outside boundary of the Property in respect of any party boundary related to another property owned by the Holder shall be surveyed, logged and plotted. Hole azimuths and dip records shall be recorded on the master logs. For holes in excess of 100 metres in length surveys at intervals down the holes shall be performed and documented in the logs along with information as to the state of abandonment of the hole, whether plugged, grouted or capped.

B. MINE UNDERGROUND SAMPLING PROCEDURES

Chip Samples

Drifts: Face chips are taken from each actual development round being driven along strike. Supplementary back samples are taken when required. Sample intervals are based on lithology/mineralized units. In general the minimum sample width is 0.30 m. maximum sample width is 1.0 m. Face sampling is usually done at waist to chest height. Sample books are filled out with the pertinent data - heading, distance from sample face to survey stations or fixed point (rock bolt, j-hook, etc.), sample length, and geological description of sample interval.

Cross Cuts: Where a heading cross-cuts the zone of interest, the walls are washed and sample intervals are marked along both walls. Sample procedure is essentially the same as face sampling in the drifts.

Raises: Chip sampling in raises is done across the footwall of the raise, at least every other round. Sampling procedures as noted above.

Shrinkage Stopes: Where possible, the back and stope ends of each lift are sampled. Sample lines are marked up to 3 m intervals and sampling is carried out across the stope back from one wall to the other, based on lithology/mineralization. When the stoping method is breasting, faces are sampled on a daily basis. Supplementary back samples are taken as required. Sampling procedures are as noted above.

Muck Samples:

Muck samples are collected and tagged by the mucking crew. One handful of muck is taken from each truckload of ore to a maximum of 5 trucks/bag.

Longhole Samples:

Holes to be sampled are determined by the longhole engineer of the Owner. Samples of the sludge are collected in 2.4 m intervals along the length of the hole by the drillers and tagged.

C. MILLING

All milling of ore from the Property is to be by batch. No exceptions shall be undertaken to batch milling without the prior written consent of the Holder.

Ore from the Property may be fed to the primary crusher:

1. by direct truck dumping from the Property; or
2. by front end loader from surface stockpiles accumulated in advance, adjacent to the mill and when removed to the mill, the pads shall be scraped clean including picking up of pre-laid pad floor material, all of which material shall be delivered to the mill for processing.

Preparation of stockpile pads, accumulation of stockpiles and their removal including clean-up of stockpile pads and verification that fine ore has not been lost shall be completed in accordance with good mining industry practice. All stockpile areas for ore from the Property, once established, shall be used repeatedly and not changed without prior written notice to the Holder and without properly cleaning up the stock pile pads and processing same through the mill.

Knelson Concentrator, filter press clean out, bullion melting and clean up of secure areas

All treatment of the precious metals bearing materials from any physical concentration circuit including the Knelson concentrator, precious metals precipitate and similar materials including such as may be derived from clean up operations is to be carried out in secured areas and under the scrutiny of an independent security operator. This shall apply wherever and whenever materials containing or anticipated to contain high concentrations of precious metals are encountered.

Batch milling initiation and termination

Prior to and post treatment of ore and Minerals from the Property the following procedure shall be adhered to: the crushing circuit, floors, walkways, conveyors and fine ore bin are to be completely cleaned out or estimates made of residual material and the Owner shall complete an inventory in accordance with standard mining industry practice.

C. SAMPLING PROCEDURES

1. Belt cut is taken on the No. 4 conveyor with an automatic sampler. Cuts are taken on a twelve (12) minute frequency into a pail. Samples are composited for four hours weighed in a tared container, then placed in the oven to dry, cooled and weighed again to determine moisture content. The whole sample is labelled and bagged for assay. Weights are recorded on the daily log sheets to calculate moistures.
2. A cup of sample is taken on the thickener underflow discharge every two (2) hours and put in a covered pail. The sample is thoroughly mixed, filtered, washed and dried in the oven. Initial filtrate is bottled and labelled for assay. The cake is cut into eight (8) pieces before drying. Two opposing pies are bagged and labelled for assay. Another pie is used to do composite screen analysis and another is bagged for reserve for periodic screen analysis.
3. Composite samples are taken automatically for twenty-four (24) hours by a drip tube on the clear pregnant and barren streams. Samples are bottled and labelled for assay.
4. Tailings sample is manually cut every hour into a covered pail. The sample is prepared as per the attached procedure. One pie is bagged and labelled for reserve.

D. MILL SAMPLE PREPARATION PROCEDURE

Use care and only clean apparatus for preparing samples

THICKENER U/F and #2 AGITATOR

1. Wash vacuum ring and base thoroughly with fresh water and place a large filter paper on a clean work cloth.
2. Decant solution into vacuum ring and pour into clean labelled and dated bottle.
3. Add fresh water and swirl pail sufficiently to completely repulp and mix solids.
4. Pour sample into vacuum ring until about $\frac{3}{4}$ full, then fill with fresh water.
5. Discard excess sample and thoroughly wash pail and replace
6. Allow sample to filter until approximately $\frac{1}{4}$ inch of water remains and refill to top with fresh water
7. Repeat wash and allow to filter to dryness (Wash is most effective when fresh water is added before solids become exposed to air).
8. Remove ring while vacuum is still on.
9. Using a clean spatula, slice into eight (8) (pizza style).
10. Turn off vacuum and slide onto clean drying pan or lift into clean pan.
11. Place in oven until dry.
12. Place two (2) opposing $\frac{1}{8}$'s into labelled bag for assay. Be sure to take all of sample in those segments.

TAILINGS

1. Thoroughly wash the buchner funnel and flask in the lab and place a large filter paper in funnel.
2. Decant approximately one (1) litre of solution into the funnel and flask.
3. Pour solution sample in washed, labelled and dated bottle.
4. Carefully decant excess water from sample until only sufficient water is left to repulp sample.
5. Wash vacuum ring and base thoroughly with fresh water and place a large filter paper on a clean work cloth.
6. Swirl pail sufficiently to completely repulp and mix solids.
7. Pour sample into vacuum ring until about $\frac{3}{4}$ full, then fill with fresh water.
8. Discard excess sample and thoroughly wash pail and replace.
9. Allow sample to filter until approximately $\frac{1}{4}$ inch of water remains and refill to top with fresh water.
10. Repeat wash and allow to filter to dryness (Wash is most effective when fresh water is added before solids become exposed to air).
11. Remove ring while vacuum is still on.
12. Using a clean spatula, slice into eight (8) (pizza style).
13. Turn off vacuum and slide onto clean drying pan or lift into clean pan.
14. Place in oven until dry.
15. Place two (2) opposing $\frac{1}{8}$'s into labelled bag for assay. Be sure to take all of sample in those segments.

E. INVENTORY SAMPLING PROCEDURE

CRUSHING CIRCUIT

1. Grizzly bin is emptied and back-hoe used to clean down back and sides. Any ore left in the bin is estimated by the personnel of the Owner and the representative of the Holder or independent security operator together.
2. Coarse ore bin is emptied.
3. Fine ore bin is emptied and blown down as much as possible (frozen ore has to be estimated by personnel of the Owner and representative of the Holder or independent security officer together).
4. Clean-up is done prior to running out of ore and the crusher sump is cleaned out the previous day.
5. Pictures are taken to verify clean-up and future reference.

GRINDING CIRCUIT

1. Once the fine ore bin is emptied, the mill is ground out for 30 minutes with water to ensure emptying its contents then shut down. This surge of slurry is pumped through the cyclone and into the thickener. Once this material has passed through the circuit, the mill is restarted with water only and ground out for 15 to 20 minutes then shut down. This flushes the mill of any remaining solids.
2. The Knelson Concentrator is left running until all the grinding circuit material is pumped through then it is flushed three times to ensure that nothing is left in the Knelson. The Knelson is then shut down and not re-started until all the concentrate has been tabled and the middlings from the table re-run on the table. The shaker room sump is cleaned out and all material is passed on the table to recover any gold. Once again, middlings are re-run on the table. Middlings left at this stage are labelled and stored in the vault until similar ore is back in the circuit then reprocessed or added to the slag to be shipped to Sabin Metals Corp and/or other Processors for reprocessing.
3. The cyclone underflow box, the Knelson feed pump box, ball mill discharge launders and cyclone feed pump box are washed down prior to the mill being shut down to ensure that no solids are left.
4. The ball mill discharge box is hosed out the day previous to the switch over then a final hosing while the mill is grinding out.
5. Pictures are taken for future reference.

FILTERING

1. Filters are kept running until the mills are down, then shut down. Presses are shut down and the flowmeter reading recorded. After the filtrate sampling is completed, the press socks are taken to the gold melting room and a new press is started up.

SAMPLING

1. As soon as the filters are down and the circuit stabilizes (every thing balanced in the tanks for inventory), inventory sampling begins.
2. The thickener is sampled at the overflow, at 27 inches down with a siphon, at 54 inches, the interface, at 82 inches (thickener bed), and the underflow. Pulp specific gravities are taken and recorded on the underflow and the 82 inch samples to calculate tonnes of solids and liquid for the metallurgical balance.
3. The agitators are then sampled in sequence. A measurement is taken from a measured reference point down to the pulp level in the agitator and recorded. A pulp specific gravity is taken with a Marcy density scale and

recorded. This will give us the volume of pulp in the agitator and using the specific gravity of that pulp we can calculate the tonnes of solids and liquid in each tank. Each agitator is sampled.

4. Using a measured reference point, the levels of the pregnant and barren tanks are measured and recorded. Samples are taken from each tank.
5. Using a measured reference point, the levels of the mill solution and clear pregnant tanks are measured and recorded. Samples are taken from each tank.
6. The status of all clarifiers is checked and recorded. No. 3 clarifier is sampled.
7. Solution samples are taken in triplicate (Owner, Holder and reserve). Pulp samples are filtered on a buchner funnel. Solution samples are split into three. Solids are diluted with fresh water and filtered on a vacuum ring and washed three times to remove any dissolved gold. Samples are then dried in an oven, screened on a clean 50 mesh screen to break up any lumps, thoroughly mixed on a clean paper by rolling 100 times and three samples are cut out of the whole. One complete set of samples (solids and solutions) are given to the representative of the Holder or independent security officer for assay in a laboratory of their choice. One complete set of samples is sent to the laboratory of the Owner for assay. The third set is stored in reserve.
8. When both parties have assays, they are exchanged via facsimile transmission.

METALLURGICAL BALANCE

1. Both parties use computer spreadsheets to calculate the gold inventory using all data collected. The average of both sets of assays are used for the metal accounting. The thickener sections are calculated using the average assay of the top and bottom average assays (i.e. average of thickener 27" and thickener 54" assays equals assay for the 27" to 54" volume).
2. Recovery of the gold inventory is calculated based on the calculated losses of the previous three days of milling using weighted averages of solid and solution losses against a weighted average of tailings solids and solutions. A weighted average density is also calculated.
3. The actual inventoried solids and calculated solid losses are used to calculate the ounces lost. Using the calculated average density of the tailings slurry, a solution tonnes is calculated. With these tonnes and the average solution losses, a solution loss is calculated.
4. The total losses is subtracted from the total ounces in inventory to give the recoverable ounces. Comparison of the before and after inventories gives a difference to be credited to either party.
5. Should there be a difference of tonnes in the bin, the same procedure is used to calculate the ounces in the rock and the average recovery determines the ounces attributable to either party.

Since starting to process ore from the Edward's Property, the River Gold Mill has undergone expansion. Inventory sampling has been expanded to include volumes of material retained in these additional pieces of equipment.

This is SCHEDULE "B" to the Royalty Agreement

between

RIVER GOLD MINES LTD.

and

VENCAN GOLD CORPORATION

(Rules for Arbitration)

The following rules and procedures shall apply with respect to any matter to be arbitrated by the parties under the terms of the Agreement.

1. Initiation of Arbitration Proceedings

- (a) If any party to this Agreement wishes to have any matter under this Agreement arbitrated in accordance with the provisions of this Agreement, it shall give notice to the other party hereto specifying particulars of the matter or matters in dispute and proposing the name of one person it wishes to be appointed an arbitrator. Within 10 days after receipt of such notice, the other party to this Agreement shall give return notice to the first party proposing the name of a person it wishes to be appointed an arbitrator. If such return notice is not given by the other party within such 10 day period, it shall be deemed to have accepted the Arbitrators proposed by the first party as the sole arbitrator. If such return notice is given within such 10 day period proposing another person to be arbitrator, the two proposed arbitrators shall meet within 10 days of such second notice and select a third person to be the third arbitrator and act as Chairman of the arbitration panel.
- (b) All Arbitrators so nominated or selected shall be qualified by education and experience to decide the matter in dispute. The Arbitrators shall be at arm's length from both parties and shall not be officers, directors or employees of either party or a member of the audit or legal firm or firms who advise either party, nor shall the Arbitrators be persons who are otherwise regularly retained by either of the parties.

2. Submission of Written Statements

- (a) Within 10 days of the appointment of the Arbitrators, the party initiating the arbitration (the "Claimant") shall send the other party (the "Respondent") a statement of claim setting out in sufficient detail the facts and any contentions of law on which it relies, and the relief that it claims.
- (b) Within 15 days of the receipt of the statement of claim, the Respondent shall send the Claimant a statement of defence stating in sufficient detail which of the facts and contentions of law in the statement of claim it admits or denies, on what grounds, and on what other facts and contentions of law he relies.
- (c) Within 10 days of receipt of the statement of defence, the Claimant may send the Respondent a statement of reply.
- (d) All statements of claim, defence and reply shall be accompanied by copies (or, if they are especially voluminous, lists) of all essential documents on which the party concerned relies and which have not previously been submitted by any party, and (where practicable) by any relevant samples.
- (e) After submission of all the statements, the Arbitrators will give directions for the further conduct of the arbitration.

3. Meetings and Hearings

- (a) The arbitration shall take place in the City of Toronto, or in such other place as the Claimant and the Respondent shall agree in writing. The arbitration shall be conducted in English. Subject to any adjournments which the Arbitrators allow, the final hearing will be continued on successive working days until it is concluded.
- (b) All meetings and hearings will be in private unless the parties otherwise agree.
- (c) Any party may be represented at any meetings or hearings by legal counsel.
- (d) Each party may examine, cross-examine and re-examine all witnesses at the arbitration.

4. The Decision

- (a) The Arbitrators will make a decision in writing and, unless the parties otherwise agree, will set out reasons for decision in the decision.
- (b) The Arbitrators will send the decision to the parties as soon as practicable after the conclusion of the final hearing, but in any event no later than 20 days thereafter, unless that time period is extended for a fixed period by the Arbitrators on written notice to each party because of illness or other cause beyond the Arbitrators' control.
- (c) The decision shall determine and award costs to the successful party in the arbitration.
- (d) The decision shall be final and binding on the parties and shall not be subject to any appeal or review procedure provided that the Arbitrators has followed the rules provided herein in good faith and has proceeded in accordance with the principles of natural justice. In the event either party initiates any court proceeding in respect of the decision of the Arbitration or the matter arbitrated, such party shall, if unsuccessful in the court proceeding, shall pay the other parties costs on a solicitor/client basis plus all other reasonable expenses incurred by such other party from the date of delivery of the notice commencing arbitration to the date of determination of such court proceeding.

5. Jurisdiction and Powers of the Arbitrators

- (a) By submitting to arbitration under these Rules, the parties shall be taken to have conferred on the Arbitrators the following jurisdiction and powers, to be exercised at the Arbitrators' discretion subject only to these Rules and the relevant law with the object of ensuring the just, expeditious, economical and final determination of the dispute referred to arbitration.
- (b) Without limiting the jurisdiction of the Arbitrators at law, the parties agree that the Arbitrators shall have jurisdiction to:
 - (i) determine any question of law arising in the arbitration;
 - (ii) determine any question as to the Arbitrators' jurisdiction;
 - (iii) determine any question of good faith, dishonesty or fraud arising in the dispute;
 - (iv) order any party to furnish further details of that party's case, in fact or in law;
 - (v) proceed in the arbitration notwithstanding the failure or refusal of any party to comply with these Rules or with the Arbitrators' orders or directions, or to attend any meeting or hearing, but only after giving that party written notice that the Arbitrators intends to do so;

Tab B

AIRD & BERLIS LLP

Barristers and Solicitors

Kyle Plunkett
Direct: 416.865.3406
E-mail: kplunkett@airdberlis.com

March 22, 2017

DELIVERED

Richmont Mines Inc.
Brookfield Place
181 Bay Street, Suite 810
Toronto, On M5J 2T3

Attention: Steve Burleton
Vice President, Business Development

Dear Sir:

**Re: IN THE MATTER OF THE PROPOSAL OF STRIKE MINERALS INC., OF
THE CITY OF LONDON IN THE PROVINCE OF ONTARIO –
Court File No. 35-2193939**

We are counsel to A. Farber & Partners Inc. (“**Farber**”), in its capacity as proposal trustee of Strike Minerals Inc. (“**Strike**”).

As you are aware, on November 29, 2016, Strike filed a Notice of Intention to Make a Proposal pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) and Farber was appointed proposal trustee of Strike. As you are also aware, shortly thereafter Strike, under the supervision of the Ontario Superior Court of Justice [Commercial List] and with assistance of Farber, conducted a Court-supervised sale process to solicit purchasers of the assets of Strike, which included a stalking horse bid. The transaction contemplated by the stalking horse purchase agreement and sale process were approved by Order of The Honourable Mr. Justice Penny dated December 13, 2016. We understand based your correspondence with Mr. Peter Crawley of Farber via email exchange earlier this year that Richmont Mines Inc. declined the opportunity to participate in the sale process to acquire the assets of Strike.

The deadline for submissions of offers was on February 16, 2017, at which time no other offers were made and, as such, the stalking horse bidder was concluded to be the successful bid. Tomorrow morning, **March 23, 2017**, at 10:00 a.m., Farber will be bringing a motion authorizing Strike to complete the transaction contemplated under the stalking horse purchase agreement, and the purchaser will obtain a vesting order

transferring the assets of Strike to the stalking horse purchaser free and clear of all liens, interests and encumbrances, including any option and/or royalty claims.

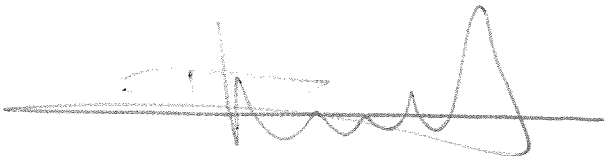
During our examination of the searches that were conducted in respect of the assets of the Strike, we found a Section 71 of the *Land Titles Act* (Ontario) Notice filed by Patricia Mining Corp. ("**Patricia**") on October 25, 2008 relating to a certain Net Smelter Return Royalty Agreement dated as of February 16, 2000 (the "**NSR Agreement**") between River Gold Mines Ltd (predecessor owner of Strike) and Vencan Gold Corporation ("**Vencan**"). In accordance with the notice provision of the NSR Agreement, Vencan was included on the Service List since the beginning of the proposal proceedings (November 2016) and all notices and materials in connection with Strike's proposal proceedings have been sent to Vencan. We have received no correspondence from Vencan to date. We have subsequently learned that Patricia was acquired by Richmond Mines Inc. by way of a plan of arrangement under the *Business Corporations Act* (Ontario), which was approved by an Ontario Court in December 2008.

Although the only interest registered on title was that of Vencan, which was previously served, in light of this recently received information and, as a courtesy, we are delivering to you a copy of Farber's Motion Record filed with the Court in support of its motion tomorrow morning to approve and complete the sale transaction with the stalking horse bidder.

To the extent you have any questions regarding the foregoing, please feel free to contact the undersigned or Peter Crawley (Email: pcrawley@farberfinancial.com / Tel: 416.496.3507).

Yours truly,

AIRD & BERLIS LLP



Kyle Plunkett
KP/ph
Encls.

cc. *Robb English, Aird & Berlis LLP*
Peter Crawley and Paul Denton, A. Farber & Partners Inc.

28804457.2

Tab C

Peter Crawley

From: Quentin Yarie <qyarie@redpineexp.com>
Sent: March 24, 2017 1:42 PM
To: 'Asim Iqbal'; 'Kyle Plunkett'
Cc: AWiens@wildlaw.ca; 'Robb English'; Peter Crawley; Paul J. Denton; 'Roxana Manea'
Subject: RE: Strike Minerals Inc. - Court File No. 35-2193939

Thank you for the clarification - unfortunately you have been going to my junk - not advantageous. We were also moving offices which also didn't help. I heard about the email yesterday from Richmond Mines who informed me you have received no response from Vencan and I went looking through my gmail. The process appears concluded.

Quentin

-----Original Message-----

From: Asim Iqbal [mailto:AIqbal@tgf.ca]
Sent: Friday, March 24, 2017 12:46 PM
To: Kyle Plunkett <kplunkett@airdberlis.com>; Quentin Yarie <qyarie@redpineexp.com>
Cc: 'AWiens@wildlaw.ca' <AWiens@wildlaw.ca>; Robb English <renglish@airdberlis.com>; 'Peter Crawley' <pcrawley@farberfinancial.com>; Paul J. Denton <pdenton@farberfinancial.com>; Roxana Manea <RManea@tgf.ca>
Subject: RE: Strike Minerals Inc. - Court File No. 35-2193939

Further to Kyle's email below, we confirm that Red Pine, as represented by Mr. Yarie, since the beginning of these proceedings and was electronically served with all court documents prepared by counsel to Strike Minerals and related Court Orders obtained, including the initial Motion Record returnable December 13, 2016.

Further, in preparation for these proceedings, we went beyond "a simple Google" search in order to identify and serve VenCan's successor. In November and December 2016, while compiling the Service List of parties with a potential interest in these proceedings, TGF determined that the President/Secretary of VenCan (currently Red Pine) is the appropriate person to notify of the proceedings as per the Royalty Agreement dated February 16, 2000. Mr. Yarie's name and email were located and included in the Service List following a detailed SEDAR search and review of recent filings, and additional corporate searches to determine VenCan's current name and status.

Regards,
Asim

[TGF_Hor_2C_647c_smaller]

Asim Iqbal | aiqbal@tgf.ca<mailto:aiqbal@tgf.ca> | Direct Line:
416-304-0595 | Thornton Grout Finnigan LLP | Suite 3200, TD West Tower,
100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 |
Fax: 416-304-1313 | www.tgf.ca<http://www.tgf.ca/>

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From: Kyle Plunkett [mailto:kplunkett@airdberlis.com]

Sent: Friday, March 24, 2017 11:15 AM

To: Quentin Yarie <qyarie@redpineexp.com>

Cc: 'AWiens@wildlaw.ca' <AWiens@wildlaw.ca>; Robb English <renglish@airdberlis.com>; 'Peter Crawley' <pcrawley@farberfinancial.com>; Paul J. Denton <pdenton@farberfinancial.com>; Asim Iqbal <AIqbal@tgf.ca>

Subject: RE: Strike Minerals Inc. - Court File No. 35-2193939

Dear Mr. Yarie,

My assistant forwarded me a copy of your email below.

As you are aware, we are counsel to A. Farber & Partners Inc., in its capacity as proposal trustee of Strike Minerals Inc. ("Strike") in respect of its proposal proceedings under the Bankruptcy and Insolvency Act (Canada). We can confirm that you were served with all Court materials throughout Strike's NOI proceedings, including the materials filed in connection with the approval motion heard yesterday morning before Justice Hainey, in accordance with the Court-approved Commercial List E-Service Protocol - a copy of the email that was sent to you, and the Service List generally, on March 10, 2017, is attached hereto for your records.

In addition, and notwithstanding that upon a review of the searches conducted by our office on the applicable properties there were no indication that Red Pine Exploration held any interest in Strike's assets, we understood from the debtor that your company should be added to the Service List re Vencan NSR agreement, and did so in November 2016. As such, you have been served with any and all materials relating to these proceedings since December 2016 - see attached emails confirming same.

As set out in the Court materials, the stalking horse purchaser was the only offer for the assets of Strike in the Court-approved sales process and, as such, it was concluded to be the successful bid. As a term of the purchase agreement, the NSR agreement between Strike Minerals Inc. (formerly River Gold Mines) and Vencan is not being assumed by the purchaser, among other contracts, and the purchaser sought, and successfully obtained, an approval and vesting order dated March 23, 2017 vesting off any and all rights and claims relating thereto. The terms of stalking horse transaction were and have been included in the court materials since the first motion to approve the stalking horse sale process, which was approved in December 2106. A copy of the Order approving the sale process, including the stalking horse offer terms was provided to you in December 2016.

A copy of the Approval and Vesting Order, per your email below confirming same, was sent to you yesterday. The Proposal Trustee effected proper service of the approval motion materials and received no response within the notice period from any party and, as a result, the approval motion proceeded without opposition.

We trust the foregoing is satisfactory.

Regards,

Kyle Plunkett

T 416.865.3406

F 416.863.1515

E kplunkett@airdberlis.com<mailto:kplunkett@airdberlis.com>

Brookfield Place . 181 Bay Street
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From: Quentin Yarie [<mailto:qyarie@redpineexp.com>]
Sent: March-23-17 6:21 PM
To: Paula Hoosain <phoosain@airdberlis.com<<mailto:phoosain@airdberlis.com>>>
Cc: Al Wiens <AWiens@wildlaw.ca<<mailto:AWiens@wildlaw.ca>>>
Subject: RE: Strike Minerals Inc. - Court File No. 35-2193939

Why would Vencan/Red Pines NSR be removed? This makes no sense?

Vencan changed names to Red Pine Exploration - why were we not contacted? A simple SEDAR/Google search would provide you with our contact information.

Quentin Yarie

Quentin Yarie
President & CEO
Red Pine Exploration Inc.
145 Wellington St. W., Suite 1001
Toronto, Ontario, Canada M5J 1H8
Telephone 416.364.7024
Mobile: 416.795.4153

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From: Paula Hoosain [mailto:phoosain@airdberlis.com]
Sent: Thursday, March 23, 2017 12:52 PM
To: 'djmillier@tgf.ca' <djmillier@tgf.ca<mailto:djmillier@tgf.ca>>;
'aiqbal@tgf.ca' <aiqbal@tgf.ca<mailto:aiqbal@tgf.ca>>;
'pdenton@farberfinancial.com'
<pdenton@farberfinancial.com<mailto:pdenton@farberfinancial.com>>;
'anackan@farberfinancial.com'
<anackan@farberfinancial.com<mailto:anackan@farberfinancial.com>>;
'pcrawley@farberfinancial.com'
<pcrawley@farberfinancial.com<mailto:pcrawley@farberfinancial.com>>; Robb English
<renglish@airdberlis.com<mailto:renglish@airdberlis.com>>; Kyle Plunkett
<kplunkett@airdberlis.com<mailto:kplunkett@airdberlis.com>>;
'lpillon@stikeman.com' <lpillon@stikeman.com<mailto:lpillon@stikeman.com>>;
'kesaw@stikeman.com' <kesaw@stikeman.com<mailto:kesaw@stikeman.com>>;
'stephanie.grace@xerox.com'
<stephanie.grace@xerox.com<mailto:stephanie.grace@xerox.com>>;
'buckislandbay@gmail.com'
<buckislandbay@gmail.com<mailto:buckislandbay@gmail.com>>;
'bsells@fasken.com' <bsells@fasken.com<mailto:bsells@fasken.com>>;
'peter@pascuzziberlingierilaw.ca'
<peter@pascuzziberlingierilaw.ca<mailto:peter@pascuzziberlingierilaw.ca>>;
'nerss@soonet.ca' <nerss@soonet.ca<mailto:nerss@soonet.ca>>;
'tbelland@tslawyers.ca'
<tbelland@tslawyers.ca<mailto:tbelland@tslawyers.ca>>;
'info@mcintoshperry.com'
<info@mcintoshperry.com<mailto:info@mcintoshperry.com>>;
'qyarie@redpineexp.com'
<qyarie@redpineexp.com<mailto:qyarie@redpineexp.com>>; 'kfenwick@shaw.ca'
<kfenwick@shaw.ca<mailto:kfenwick@shaw.ca>>; 'diane.winters@justice.gc.ca'
<diane.winters@justice.gc.ca<mailto:diane.winters@justice.gc.ca>>;
'kevin.ohara@ontario.ca'
<kevin.ohara@ontario.ca<mailto:kevin.ohara@ontario.ca>>;
'jessica.dixon1@ontario.ca'
<jessica.dixon1@ontario.ca<mailto:jessica.dixon1@ontario.ca>>;
'OSB-Registry-Registre-BSF-OSB-BSF@ic.gc.ca'
<OSB-Registry-Registre-BSF-OSB-BSF@ic.gc.ca<mailto:OSB-Registry-Registre-BSF-OSB-BSF@ic.gc.ca>>; 'sburleton@richmont-mines.com'
<sburleton@richmont-mines.com<mailto:sburleton@richmont-mines.com>>;
'mtardif@richmont-mines.com'
<mtardif@richmont-mines.com<mailto:mtardif@richmont-mines.com>>
Subject: Strike Minerals Inc. - Court File No. 35-2193939

TO THE SERVICE LIST:

Attached please find copies of the issued and entered Orders of Justice Hainey granted in connection with the Motion heard this morning together with his Endorsement, which are served upon you in accordance with the Commercial List E-Protocol and the Rules of Civil Procedure.

Paula Hoosain
Assistant to D. Robb English & Kyle Plunkett

T 416.863.1500 x3184
F 416.863.1515
E phoosain@airdberlis.com<<mailto:phoosain@airdberlis.com>>

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Tab D

Press Release

April 5, 2006

Patricia Mining Corp. announces acquisition of Vencan Gold Corporation's Edwards gold property, Wawa, Ontario

Patricia Mining Corp. (Patricia) is pleased to announce that the Company has signed a letter of agreement to acquire a 75% interest in Vencan Gold Corporation's (Vencan's) Edwards gold property adjoining the Company's Island Gold Project and 100% of the 3% NSR on the past producing Edwards Mine currently owned by Strike Minerals Inc.

Vencan's Edwards property consists of 39 staked and 4 patented mining claims in Jacobson Township covering an area of approximately 1,720 acres. The claims are to the east and contiguous with Patricia's Island Gold Project.

Patricia will earn a 75% interest in the property from Vencan by making a cash payment of \$30,000 on or before April 7th, 2006 and issuing 500,000 common shares on or before April 30th 2006. Patricia has the option to acquire Vencan's remaining 25% interest for the first 30 months after the agreement date by issuing 1,000,000 common shares and at any time after 30 months by issuing 1,500,000 common shares to Vencan. Vencan has retained a 2% NSR on the property which may be purchased for \$1,500,000. Vencan's 25% interest will be carried for the first \$1,000,000 in exploration expenditures or 2 years whichever occurs first. The share issuances are subject to approval by the TSX Venture Exchange.

We believe this strategic acquisition will further contribute to the substantial upside potential of Patricia's Island Gold Project. The Island Gold Project is a joint venture between Richmond Mines Inc. and Patricia and is currently in the final stages of development with production scheduled to commence in July 2006.

Further to the March 27th 2006 press release Patricia announces that Mr. Jean-Pierre Chauvin, P.Eng., has resigned from the board of directors effective immediately.

For more information, contact:

CONTACT: Mr. Chris Chadder, C.A., President
Dr. Richard H. Sutcliffe, P. Geo., Chairman
Phone: 416-214-4900, Fax: 416-864-0620
info@patriciamining.com www.patriciamining.com

Mr. Gus Garisto, Investor Relations
Cell: 416-805-3106

Address: 8 King Street East, Suite 1300, Toronto, Ontario, Canada, M5C 1B5

Symbol & Exchange: PAT – TSX Venture Exchange (TSX-V)

This release was prepared by management of the Company who takes full responsibility for its contents. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

Some statements contained in this release are forward-looking and, therefore, involve uncertainties or risks that could cause actual results to differ materially. Such forward-looking statements include comments regarding mining and milling operations, mineral resource statements and exploration program performance. Factors that could cause actual results to differ materially include metal price volatility, economic and political events affecting metal supply and demand, fluctuations in mineralization grade, geological, technical, mining or processing problems, exploration programs and future results of exploration programs at the Island Gold Project, future profitability and production.

Tab E

Peter Crawley

From: Steve Burleton <sburleton@richmont-mines.com>
Sent: January 17, 2017 11:31 AM
To: Peter Crawley
Subject: RE: Gold Mine Opportunity - Strike Minerals Inc.

Peter,

After reviewing the opportunity with our team we have decided to pass.

Thank you for bringing the opportunity to our attention.

Cheers.

STEVE BURLETON
Vice President, Business Development



P 416 368-0291 Ext 102 | **C** 416 409-2794 | **F** 416 368-9423

Richmont Mines Inc. | Brookfield Place

181 Bay Street, Suite 810, Toronto, Ontario, Canada M5J 2T3

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From: Peter Crawley [<mailto:pcrawley@farberfinancial.com>]

Sent: January 16, 2017 2:59 PM

To: Steve Burleton <sburleton@richmont-mines.com>

Subject: RE: Gold Mine Opportunity - Strike Minerals Inc.

Steve,

Here's the requested confidentiality agreement with fill-able fields.

Regards

Peter

From: Peter Crawley

Sent: January 16, 2017 10:43 AM

To: sburleton@richmont-mines.com

Subject: FW: Gold Mine Opportunity - Strike Minerals Inc.

Hi Steve,

I'm just reaching out to see if Richmond is interested in pursuing the Strike Minerals opportunity.
Please advise at your convenience.

Thanks and regards
Peter

Peter Crawley, MBA, CPA, CA, CIRP
Vice President
Direct: 416.496.3507 | Mobile: 416.500.0780
Email: pcrawley@farberfinancial.com
Connect via [Linkedin](#)
Visit us at www.farberfinancial.com



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From: Diane Falcione
Sent: December 16, 2016 10:17 AM
To: Diane Falcione
Subject: Gold Mine Opportunity - Strike Minerals Inc.

GOLD MINE OPPORTUNITY

IN THE MATTER OF THE PROPOSAL OF STRIKE MINERALS INC.

A. Farber & Partners Inc., in its capacity as proposal trustee (the "Proposal Trustee") of Strike Minerals Inc. ("Strike"), is undertaking a court-supervised sales process (the "Sales Process") in respect of the assets, undertaking and property of Strike indicated to include certain mining claims and the Edwards Mine in the Jacobson Township area of the Sault Ste. Marie Mining Division in Ontario (collectively the "Property").

If your company, contacts or clients wish to look at this opportunity further, particulars regarding the opportunity are set out in the attached information sheet.



Diane Falcione

Manager, Corporate Administration

Direct: 416.496.3678 | Fax: 416.496.3839

dfalcione@farberfinancial.com



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IN THE MATTER OF THE PROPOSAL OF STRIKE MINERALS INC. OF THE CITY OF LONDON, IN THE PROVINCE OF ONTARIO

(Short title of proceeding)

Court File No. 35-2193939

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at Toronto

**SUPPLEMENT TO THE THIRD REPORT OF THE
PROPOSAL TRUSTEE**

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, Box 754
181 Bay Street
Toronto, ON M5J 2T9

D. Robb English (LSUC#19862F)
Kyle Plunkett (LSUC#61044N)

Tel: 416.863.1500
Fax: 416.863.1515

Lawyers for A. Farber & Partners Inc.