

SOUTH KEEWATIN PROPERTY AGREEMENT

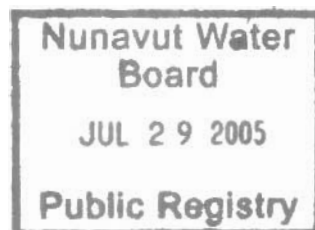
BETWEEN

BHP BILLITON DIAMONDS INC.

AND

TRI ORIGIN EXPLORATION LTD.

Dated September 2, 2004



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TABLE OF CONTENTS

ARTICLE 1 - DEFINITIONS.....	1
ARTICLE 2 - REPRESENTATIONS AND WARRANTIES	4
ARTICLE 3 – TOE OPTION	6
ARTICLE 4 – RIGHT OF ENTRY	ERROR! BOOKMARK NOT DEFINED
ARTICLE 5 – VESTING OF INTEREST AND JOINT VENTURE FORMATION	7
ARTICLE 6 – TERMINATION OF OPTION.....	ERROR! BOOKMARK NOT DEFINED
ARTICLE 7 – MODIFICATIONS TO PROPERTY	8
ARTICLE 8- ACTIVITIES OF OPERATOR	9
ARTICLE 9 - OBLIGATIONS OF THE OPERATOR	10
ARTICLE 11 – FORCE MAJEURE	12
ARTICLE 12 - CONFIDENTIAL INFORMATION	
ARTICLE 13 – DISPUTE RESOLUTION	13
ARTICLE 14 - DEFAULT AND TERMINATION.....	14
ARTICLE 15 – PRIVACY COMPLIANCE	14
ARTICLE 16 – HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY POLICIES.....	15
ARTICLE 17 – NOTICES.....	18
ARTICLE 18 – CONDITIONS PRECEDENT	18
ARTICLE 19 - GENERAL.....	19
SCHEDULE “A” – BHP BILLITON HSEC POLICIES	
SCHEDULE “B” – THE PROPERTY	
SCHEDULE “C” – SUMMARY OF JOINT VENTURE TERMS	

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KEEWATIN PROPERTY AGREEMENT

THIS AGREEMENT is made as of the 2nd day of September, 2004

BETWEEN:

BHP BILLITON DIAMONDS INC., a Canadian corporation, having offices at Suite 2300 -- 1111 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4M3

(referred to herein as "BHPB")

OF THE FIRST PART

AND:

TRI ORIGIN EXPLORATION LTD., an Ontario corporation, having offices at Suite 206 – 3 Centre Street, Markham, Ontario, L3P 3P9

(referred to herein as "TOE")

OF THE SECOND PART

WHEREAS:

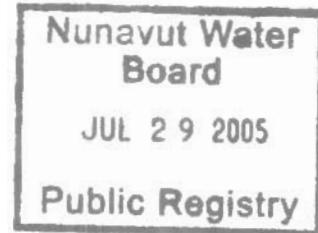
- A. BHPB has represented to TOE that it is the legal and beneficial owner of an undivided 100% interest in and to certain mineral properties located in Nunavut (the "Property"), as more particularly described herein; and
- B. BHPB wishes to grant and TOE wishes to acquire the right to earn up to a fifty-one percent (51%) interest in and to the Property on the terms and subject to the conditions set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 - DEFINITIONS

For the purposes of this Agreement, including the recitals and any schedules hereto, unless there is something in the subject matter or context inconsistent therewith, the following words and expressions shall have the following meanings:

- (a) "Affiliate" shall have the meaning ascribed to such term in the Canada Business Corporations Act, as amended;
- (b) "After Acquired Properties" means any and all interests in land or Minerals staked, located, granted or acquired by or on behalf of any of the parties hereto during the currency of this Agreement located within five (5) kilometres of the outer perimeter of a Property;



- (c) **"Agreement"** means this Agreement, as amended from time to time;
- (d) **"BHP Billiton HSEC Policies"** means those health, safety, environment and community responsibilities policies and codes of business conduct as listed in Schedule "A" to this Agreement;
- (e) **"Business Day"** means a day other than a Saturday, Sunday or any day on which chartered banks in the City of Vancouver, British Columbia, Canada, are not open for business during normal banking hours;
- (f) **"Commercial Production"** means the first day of the month following the month in which Minerals from a mine on, in or under the Property, as applicable, have been extracted and processed to yield Product for ninety (90) consecutive days at a rate, averaged over such ninety (90) day period, of not less than seventy percent (70%) of the average daily rate projected by the Feasibility Study pursuant to which a mine is developed. The processing or shipping of bulk samples for testing purposes shall not be considered for the purpose of establishing the commencement of Commercial Production;
- (g) **"Exchange"** means the TSX Venture Exchange;
- (h) **"Expenditures"** means any costs incurred by a party in connection with the Property, whether direct or indirect, on or off the Property, and for the purposes of:
 - (i) prospecting, exploration, evaluation, and development of the Property for Mineral deposits;
 - (ii) payments of fees, duties, or other charges or deductions to acquire, maintain or as required by any license, permit, or other documents issued by governmental bodies or other persons granting the right to use mineral resources and surface lands;
 - (iii) maintaining in good standing, the exploration permits, exploration licenses, mineral claims, mining concession and any and all other forms of land or mineral tenure applicable to the Property;
 - (iv) all other expenses incurred in connection with the Property or this Agreement, including expenses for all permits and documents issued by any government or its authorized agent, environmental and other studies, charges incurred for site preparation, engineering, surveying, permits, equipment rental, third-party contractor services, construction of roads, costs of equipment and supplies, labour costs, legal fees, all fees under any consulting agreement, and all direct salary and field expenses of exploration personnel, transportation costs; and
 - (v) completing any work directly related to a Pre-feasibility Study;

- (i) **"HSEC Standards"** means those health, safety, environment and community work and operations policies and standards as adopted by the parties hereto in accordance with Section 16.1 of this Agreement;
- (j) **"Joint Venture"** means that commercial relationship between BHPB and TOE established under the Joint Venture Agreement;
- (k) **"Joint Venture Agreement"** means a joint venture agreement entered into between BHPB and TOE pursuant to Section 5.4;
- (l) **"Minerals"** means all base metals and minerals, all precious metals and minerals, all non-metallic minerals including diamonds, all industrial minerals and all ores, concentrates, precipitates, beneficiated products, and solutions containing any of the afore mentioned minerals, and all forms in which such minerals may occur, be found, extracted or produced on, in or under the Property;
- (m) **"Operations"** means all activities carried out in connection with the prospecting, exploring, evaluation, development, and mining of Minerals, including, without limitation, prospecting, exploration, the development of a mine, the mining, extraction, treatment, storage and processing of Minerals, distribution of Product, the acquisition and relinquishment of properties or the construction of any improvements, personality, fixtures or equipment reasonably necessary therefore, and any other activities or operations related to or necessary for exploration, development, and mining of Minerals on, in or under the Property;
- (n) **"Operator"** means TOE until Option has been exercised or terminated;
- (o) **"Option"** means the option granted to TOE by BHPB pursuant to Section 3.1 of this Agreement;
- (p) **"Product" or "Products"** means all Minerals and materials of commercial value produced or derived from the Property; and
- (q) **"Property"** means those twelve (12) Nunavut mineral claim blocks as more particularly described in Schedule "B" to this Agreement and identified in Appendix 1 to Schedule "B" and shall include any renewal thereof and any form of successor or substitute title thereto.

12

Entire Agreement

This Agreement, together with any and all agreements, documents and other instruments to be delivered pursuant hereto or simultaneously herewith constitutes the entire agreement between BHPB and TOE pertaining to the subject matter hereof. This Agreement supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of and between the parties hereto relating to the Property and there are no representations, warranties, covenants or other agreements among the parties hereto in connection with the subject matter hereof except as specifically set forth in this Agreement. No supplement, modification, waiver or termination of this Agreement shall be binding

unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provisions (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

3 Headings

The Articles, Sections, Subsections and other headings contained herein are included solely for convenience, are not intended to be full or accurate descriptions of the content hereof and shall not be considered part of this Agreement.

1 Currency

In this Agreement, all dollar amounts are expressed in lawful currency of Canada, unless specifically provided to the contrary.

5 Schedules

The following Schedules attached to this Agreement are an integral part of this Agreement:

Schedule "A"	BHP Billiton HSEC Policies
Schedule "B"	The Property
Schedule "C"	Summary of Joint Venture Terms

ARTICLE 2 - REPRESENTATIONS AND WARRANTIES

2.1 Each of the parties represents and warrants to the other that:

- (a) it is a company duly incorporated, validly subsisting and in good standing with respect to filing of annual reports under the laws of the jurisdiction of its incorporation and is or will be qualified to do business in the jurisdiction in which the Property is located and to hold an interest in the Property;
- (b) has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to in or contemplated by this Agreement and to carry out and perform all of its obligations and duties hereunder; and
- (c) it has duly obtained all authorizations for the execution, delivery, and performance of this Agreement, and such execution, delivery and performance and the consummation of the transactions herein contemplated will not conflict with, or accelerate the performance required by or result in any breach of any covenants or agreements contained in or constitute a default under, or result in the creation of any encumbrance, lien or charge under the provisions of its constituting or initiating documents or any indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound or to which it may be subject and will not contravene any applicable laws

2.2 BHPB represents and warrants to TOE that:

- (a) subject to any applicable government royalties, it is the sole beneficial owner of a 100% interest in and to the Property;
- (b) the Property is in good standing under the applicable mining laws of Nunavut and BHPB has incurred all costs necessary to maintain the Property in good standing until the first anniversary of this Agreement;
- (c) BHPB has acquired its rights and interest in and to the Property in accordance with the applicable laws of Nunavut;
- (d) the Property is free and clear of all liens, charges and encumbrances and is not subject to any right, claim or interest of any other person;
- (e) it is not aware of any adverse claim or challenge against or to the ownership of or title to the Property, or any portion thereof nor is it aware of any basis for such a claim or challenge and there are no outstanding agreements or options to acquire or purchase the Property or any portion thereof or interest therein and no person has any royalty or interest whatsoever in production or profits from the Property or any portion thereof; and
- (f) there are no obligations or commitments for reclamation, closure or other environmental corrective, clean-up or remediation action directly or indirectly relating to the Property.

2.3 TOE represents and warrants to BHPB that:

- (a) there are no consents, authorizations, licenses, agreements, permits, approvals or orders of any person or governmental authority required to permit TOE to complete the transactions contemplated by this Agreement other than the approval of the Exchange; and
- (b) it shall carry out all Operations on the Property in compliance with all applicable mining and environmental protection legislation, regulations, by-laws or lawful requirements in force or proposed to be brought into force as of or subsequent to the date of this Agreement

2.4 TOE covenants with and to BHPB that TOE shall adequately diamond drill test not less than four (4) targets on the Property on or before September 30, 2005 and that TOE shall incur Expenditures related to such drilling of not less than \$100,000. Any outstanding balance between the said \$100,000 and TOE's actual Expenditures as at September 30, 2005 shall be deemed to be a debt owing from TOE to BHPB (the "Expenditure Deficit") and shall be paid to BHPB on or before October 31, 2005. The obligation to pay the Expenditure Deficit shall survive the termination of this Agreement.

2.5 TOE acknowledges and confirms that it has received copies of all of the BHP Billiton HSEC Policies as listed in Schedule "A".

2.6 The preceding representations and warranties are conditions upon which the parties have relied in entering into this Agreement. Such representations and warranties are to be construed as both conditions and warranties and shall, regardless of any investigation made by or on behalf of any party as to the accuracy of such

representations and warranties, survive the closing of the transaction contemplated in this Agreement. Each of the parties will indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation or warranty contained in this Agreement. In addition to any other remedy to which it may be entitled, each party shall be entitled to set off any loss, damage or costs suffered by against any payment required to be made by it to any other party hereunder, as a result of any breach of representation or warranty.

ARTICLE 3 – TOE OPTION

BHPB hereby grants to TOE the sole, exclusive and irrevocable right and option (the "Option") to acquire an undivided fifty one percent (51%) interest in and to the Property. The Option shall be exercisable by TOE:

- (a) incurring not less than \$100,000 in Expenditures on the Property on or before September 30, 2005; and
- (b) diamond drill testing not less than four (4) targets on the Property on or before September 30, 2005

3.2 For greater certainty, all Expenditures incurred to complete the diamond drilling pursuant to Section 3.1(b) shall be included in the \$100,000 Expenditure requirement as set out in Section 3.1(a).

3.3 Pursuant to Section 2.4 of this Agreement, TOE acknowledges that an Expenditure of not less than \$100,000 as part of the drill testing of four (4) targets on the Property on or before September 30, 2005 is an irrevocable commitment on the part of TOE.

ARTICLE 4– RIGHT OF ENTRY

Except as otherwise provided in this Agreement, until the Option is exercised or terminated in accordance with the terms of this Agreement, TOE, its employees, contractors and agents shall have the sole and exclusive right to:

- (a) enter in, under or upon the Property and carry out Operations;
- (b) exclusive and quiet possession of the Property;
- (c) bring upon the Property and erect thereon such mining or camp facilities as it may consider advisable; and
- (d) remove Minerals from the Property for the purpose of bulk sampling, pilot plant or test operations

ARTICLE 5 – VESTING OF INTEREST AND JOINT VENTURE FORMATION

- Upon TOE exercising the Option in accordance with the requirements of Section 3.1, an undivided fifty one percent (51%) interest in and to the Property shall vest, and shall be deemed for all purposes hereof to have vested in TOE.
- 5.2 At any time after exercising the Option, TOE may request that BHPB deliver to TOE, a recordable transfer, bill of sale or other for of tenure document applicable under Nunavut law, to facilitate the transfer of TOE's applicable interest in and to the Property into the name of TOE.
- 5.3 TOE may at any time, file, register or otherwise deposit a copy of this Agreement in the applicable office of the Nunavut Mining Recorder and any other appropriate government agencies for the purpose of providing third parties with notice of this Agreement and the rights hereunder
- 5.4 Upon the exercise of the Option, the parties shall associate themselves as a single purpose joint venture for the purpose of continuing exploration and development of the Property for mineral resources, with a view to placing the Property or a portion thereof into Commercial Production.
- 5.5 Within thirty (60) days of the formation of the Joint Venture pursuant to Section 5.4, the parties shall complete and execute a formal Joint Venture Agreement incorporating, among other things, those terms as set out in Schedule "C" to this Agreement. Unless otherwise agreed to by the parties, no Joint Venture activities on the Property shall be initiated or undertaken until a formal Joint Venture Agreement has been executed by both parties.

ARTICLE 6– TERMINATION OF OPTION

- 6.1 In the event of default in the performance of the requirements of Section 3.1, and subject to the provisions of Sections 7.5, 9.1(h), 19.3 and 19.5 and Articles 12 and 15 of this Agreement, the Option and this Agreement shall terminate.
- 6.2 Subject to Section 2.4, TOE shall have the right to terminate this Agreement at any time prior to the exercise of the Option by giving written notice of such termination to BHPB. This Agreement shall terminate on the date BHPB is deemed to have received such notice, pursuant to Subsection 17.1. Upon such termination, this Agreement shall be of no further force and effect except that TOE shall be required to fulfil any obligations which have accrued under the provisions of this Agreement which have not been satisfied.
- 6.3 Notwithstanding any other provisions of this Agreement, in the event of termination of this Agreement, TOE shall:
- (a) leave the Property free and clear of all liens and encumbrances resulting from its Operations on the Property

- (b) in relation to Operations carried out on the Property by TOE, perform and secure the performance of all reclamation and environmental rehabilitation on the Property in compliance with the applicable Nunavut law;
- (c) within 180 days of receiving notice from BHPB to do so, remove all materials, supplies and equipment erected, installed or brought upon the Property by or at the instance of TOE; and
- (d) file or have filed sufficient assessment work with the Nunavut Mining Recorder to maintain the Property in good standing for a period of not less than one (1) year from the date of termination of this Agreement.

6.4 This Agreement provides for an option only, and except as specifically provided otherwise, nothing herein contained shall be construed as obligating TOE to do any acts or incur Expenditures in excess of \$100,000 and any act performed or any Expenditures incurred under this Agreement shall not be construed as obligating TOE to do any further act or incur any further Expenditures.

ARTICLE 7 – MODIFICATIONS TO PROPERTY

- 7.1 Any and all exploration permits and mineral claims or other forms of mineral tenure or mineral rights acquired by either party within five (5) kilometres of outer perimeter of any of the twelve (12) mineral claim blocks comprising the Property shall be included in and become part of the Property. The interest each party shall hold in any After Acquired Property included in the Property shall be in proportion to each party's interest in the Property immediately prior to the inclusion of that specific After Acquired Property
- 7.2 All costs incurred in staking, locating, recording, or otherwise acquiring any After Acquired Property shall be credited to the acquiring party and applied against that party's future Expenditure obligations under this Agreement or the Joint Venture Agreement, as applicable.
- 7.3 Upon agreement between BHPB and TOE and in accordance with applicable law, any part of the Property may be allowed to lapse, expire or otherwise be excluded from those lands comprising the Property (an "Abandoned Area").
- 7.4 Upon abandonment, the terms and conditions of this Agreement shall not longer apply to an Abandoned Area.
- 7.5 The parties shall hold no residual legal or beneficial interest in an Abandoned Area and neither party or any Affiliate of a party shall acquire any legal or beneficial interest in lands forming all or any part of such Abandoned Area for a period of two (2) years from the date such Abandoned Area was excluded from the Property. If either party or any Affiliate of a party acquires any legal, beneficial, direct or indirect interest in all or any part of any Abandoned Area during the said two (2) year period referred to in this Section 7.5, the After Acquired Property provisions of this Agreement shall apply to such interest.
- 7.6 The provisions of Section 7.5 shall survive the termination of this Agreement for a period of two (2) years from the date of termination.

ARTICLE 8 - ACTIVITIES OF OPERATOR

8. Subject to Section 8.3, the Operator shall have full right, power and authority to do everything necessary or desirable to determine the manner of exploration and development of the Property and, without limiting the generality of the foregoing, the right, power and authority to:
- (a) regulate access to the Property subject only to the right of the representatives of TOE and BHPB to have access to the Property at all reasonable times and on reasonable notice, for the purpose of inspecting work being done thereon but at their own risk and expense;
 - (b) employ and engage such employees, agents and independent contractors as the Operator may consider necessary or advisable to carry out its duties and obligations hereunder and in this connection to delegate any of its powers and rights to perform its duties and obligations hereunder;
 - (c) execute all documents, deeds and instruments, do or cause to be done all such acts and things and give all such assurances as may be necessary to maintain good and valid title to the Property and each party hereby irrevocably appoints the Operator its true and lawful attorney to give effect to the foregoing and hereby agrees to indemnify and hold the Operator harmless from any and all costs, losses or damage sustained or incurred by the Operator directly or indirectly as a result of its exercise of its powers and save where those powers have been exercised in bad faith or with gross negligence; and
 - (d) conduct such title examination and cure such title defects as may be advisable in the reasonable judgment of the Operator.
- 8.2 The Operator shall, on an annual basis during the term of this Agreement, deliver to each of BHPB and TOE a report, including up-to-date maps, if any, describing the status of title of the Property, together with the results of any program and budget then completed, including reasonable details of Expenditures made or to be made during such programs. Where practicable all data shall be supplied on paper and in a widely recognized digital form on such media as all parties may reasonably be able to access.
- 8.3 Prior to proceeding with any exploration or development program on the Property, the Operator shall deliver to TOE and BHPB, a detailed work proposal and budget for such program. TOE and BHPB shall have thirty (30) days from delivery of the work proposal and budget to review and comment on such program. If TOE and BHPB, while acting in good faith, are unable to agree on a work proposal and budget during the said thirty (30) day review period, TOE in its sole discretion shall have the authority to modify such work proposal and budget as it deems appropriate and to direct the Operator to implement such modified work proposal and budget.
- 8.4 If TOE fails to provide the Operator with a modified work proposal and budget and directions to implement such modified program within five (5) days of the expiry of the thirty (30) day review period set out in Section 8.3, the Operator shall be entitled to implement the work proposal and budget as originally delivered to TOE and BHPB pursuant to Section 8.3

ARTICLE 9 - OBLIGATIONS OF THE OPERATOR

9 : During the term of this Agreement the Operator shall:

- (a) maintain the Property in good standing by the doing and filing of assessment work or the making of payments in lieu thereof and the performance of all other actions which may be necessary in that regard;
- (b) indemnify the non-operating party or parties against and save such party or parties harmless from all costs, claims, liabilities and expenses that the non-operators may incur or suffer as a result of any injury (including injury causing death) to any director, officer, employee, agent or designated consultant of the parties hereto arising out of or attributable to the gross negligence or wilful misconduct of the Operator while such director, officer, employee or designated consultant is on the Property;
- (c) permit the parties hereto, at their own expense, access to the Property;
- (d) keep the Property free and clear of all liens, charges and encumbrances of every character arising from any and all Operations (except for liens for taxes not then due, other inchoate liens and liens contested in good faith by the Operator), and proceed with all reasonable diligence to contest or discharge any lien that is filed;
- (e) pay, when due and payable, all wages or salaries for services rendered in connection with the Property and all accounts for materials supplied on or in respect of any work or Operations performed on the Property;
- (f) keep in force at least the following minimum insurance coverage, naming BHPB and TOE as additional insured parties, until all Operations have been completed
 - (i) statutory workers' compensations insurance for all of the Operator's personnel required under the applicable worker's compensation law;
 - (ii) employer's liability insurance with a limit on liability of not less than US\$5,000,000 for each accident;
 - (iii) comprehensive commercial general liability insurance with a limit on liability of not less than US\$5,000,000, combined single limit, per occurrence, for bodily injury and property damage, arising out of Operations performed under this Agreement by the Operator;
 - iv) comprehensive automobile liability insurance covering all vehicles, hired, owned and non-owned, with a limit on liability of not less than US\$5,000,000 combined single limit per occurrence for bodily injury and property damage; and
- (g) ensure that all Operations on the Property are carried out in a good and workmanlike fashion and in accordance with the HSEC Standards and all applicable laws, regulations, orders and ordinances of any applicable governmental authority;

- (h) ensure that all of the Operator's employees and all third-party contractors strictly observe and comply at all times with the HSEC Standards and that each employee or contractor who will perform any part of the Operations receives, reads and understands each of the HSEC Standards;
- (i) take, and require its employees and third-party contractors to take, all necessary precautions in carrying out all Operations to avoid damage or injury to the environment, any person, the property of any person, the reputation of BHPB or any combination of the foregoing; and
- (j) indemnify and hold the parties hereto harmless in respect of any and all costs, claims, liabilities and expenses arising out of or attributable to the Operator's activities on the Property

9.2 No third party shall be retained to act as Operator unless such third party agrees to be bound by all of the same duties and obligations (including the insurance and privacy requirements) imposed on an Operator under this Agreement.

9.3 Should the duties and obligations related to health, safety, environment and community under the applicable laws differ from the duties and obligations adopted by the parties as the HSEC Standards, the most onerous of the two regimes shall apply to all Operations unless the Operator and BHPB otherwise agree in advance.

ARTICLE 10 - TRANSFERS

10.1 Prior to exercising the Option, TOE shall not be entitled to assign, sell, transfer or otherwise dispose of all or any part of its interest in and to the Property or this Agreement, without the prior written consent of BHPB. BHPB shall be entitled to withhold such consent where in its sole discretion, such proposed transfer will or may adversely effect BHPB's business interests.

10.2 If at any time, BHPB wishes to assign, sell, transfer or otherwise dispose of all or part of its interest in the Property or this Agreement to a third party, it shall first offer, by written notice, such interest to TOE on the terms to be offered to or accepted from any interested third party, with all such terms fully described and including the financial value of any non-cash consideration specified.

10.3 If TOE does not elect within thirty (30) days of receiving an offer pursuant to Section 10.2, BHPB shall be entitled to transfer the offered interest to a third party on terms no more favourable to the third party than the terms offered to TOE, without further obligation to TOE.

10.4 No assignment, sale, transfer or disposal pursuant to Section 10.3 shall be effective prior to the third party acquiring such interests agreeing to be bound by the terms and conditions of this Agreement

10.5 Sections 10.1 and 10.2 shall not apply to a corporate merger, consolidation, amalgamation, or reorganization of a party, provided the surviving entity will assume the rights, obligations, and liabilities of the affected party to this Agreement.

ARTICLE 11 – FORCE MAJEURE

If any party hereto is at any time prevented or delayed in complying with any provisions of this Agreement by reason of strikes, lock-outs, labour shortages, power shortages, fuel shortages, fires, wars, insurrection, terrorist activities, inability to gain or maintain surface access not related to the misconduct of such party, inability to obtain on reasonably acceptable terms any necessary public or private license, permit, authorization or approval related to any exploration or mine development activities not related to the misconduct of such party, acts of God, governmental regulations restricting normal operations, shipping delays or any other extraordinary reason or reasons beyond the control of such party, other than lack of funds, the effect of which would be to halt work on the Property, the time limited for the performance by such party of its obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or delay, but nothing herein shall discharge the Operator from its obligations hereunder to maintain the Property in good standing.

Each party shall give prompt notice to the other of each event of force majeure under Section 11.1 and upon cessation of such event shall furnish to the other party notice to that effect together with particulars of the number of days by which the obligations of the notifying party hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

ARTICLE 12 - CONFIDENTIAL INFORMATION

12.1 The parties to this Agreement shall keep confidential all books, records, files and other information supplied by any party to the other parties or their employees, agents or representatives in connection with this Agreement or in respect of the activities carried out on the Property by any party, or related to the sale of Minerals, or Products, including all analyses, reports, studies or other documents prepared by any party or its employees, agents or representatives, which contain information from, or otherwise reflects such books, records, files or other information. The parties shall use their reasonable efforts to ensure that their employees, agents or representatives do not disclose, divulge, publish, transcribe, or transfer such information, in whole or in part, other than to an affiliate where such disclosure is for routine corporate purposes, without the prior written consent of the other party, which consent may not be arbitrarily or unreasonably withheld and which shall not apply to such information or any part thereof to the extent that:

- (a) it is required to be publicly disclosed pursuant to applicable securities or corporate laws, in which event the party seeking to make such disclosure shall make all reasonable efforts to provide to the non-disclosing party at least two (2) Business Days prior to making such disclosure, a written copy of such proposed disclosure, unless mutually agreed otherwise, and shall in good faith consider any comments the non-disclosing party may have on such proposed disclosure. Failure by the non-disclosing party to provide comments within two (2) Business Days of receiving such proposed disclosure shall entitle the disclosing party to make such disclosure at anytime thereafter it deems appropriate;

- (b) the disclosure is reasonably required to be made to a taxation authority in connection with the taxation affairs of the disclosing party; or
- (c) such information becomes generally disclosed to the public, other than as a consequence of a breach hereof by one of the parties hereto.

ARTICLE 13 – DISPUTE RESOLUTION

13.1 All disputes arising out of or in connection with this Agreement, or in respect of any defined legal relationship associated with or derived therefrom, which the parties cannot resolve within thirty (30) days of the date such dispute arose, shall be referred to and resolved through binding arbitration under the rules of the British Columbia International Commercial Arbitration Centre.

13.2 The appointing authority shall be the British Columbia International Commercial Arbitration Centre and the case shall be administered at Vancouver, British Columbia, by the British Columbia International Commercial Arbitration Centre in accordance with its "Procedures for Cases under the BCICAC Rules".

ARTICLE 14 - DEFAULT AND TERMINATION

14.1 If at any time, a party fails to perform any obligation required to be performed by it under this Agreement, or a party is in breach of a warranty given by it under this Agreement, which failure or breach materially interferes with the implementation and operation of this Agreement, the other party may terminate this Agreement but only if the non-defaulting party has given written notice of such default to the defaulting party and the defaulting party has not, within fifteen (15) Business Days following delivery of such notice of default

- (a) cured such default;
- (b) commenced proceedings to cure such default by appropriate payment or performance, the defaulting party hereby agreeing that should it so commence to cure any default it will prosecute the same to completion without undue delay; or
- (c) delivered to the non-defaulting party a notice contesting the notice of default and invoking the provisions of Article 13 herein, in which case the provisions of this Article 14 will be suspended pending resolution of such dispute in accordance with Article 13

14.2 Should the defaulting party fail to comply with the provisions of Section 14.1, the non-defaulting party may thereafter terminate this Agreement, provided however any such termination is made by notice in writing given in accordance with Article 17.

14.3 This Agreement may be terminated:

- (a) in accordance with Article 6

(b) in accordance with Section 14.2; or

(c) upon agreement of the parties

14.4 Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 2.4, 7.5, 9.1(h), 19.3 and 19.5 and Articles 12 and 15 hereof, shall survive the termination of this Agreement.

ARTICLE 15 – PRIVACY COMPLIANCE

15.1 The Operator will ensure that the Operator's personnel comply with all applicable laws and regulations and local customs including, where applicable, all registrations for foreigners, tax registrations, immigration, customs clearance and the like.

15.2 The Operator shall ensure that, unless otherwise exempted by law, it has the consent of its employees to the collection, use and disclosure of all personal information required by TOE or BHPB to determine the suitability of each employee for work on the Property or for any other reasonable and necessary purpose related to this Agreement.

15.3 For the purpose of this Article 15, "Personal Information" means information about an identifiable individual collected or created by the Operator or by BHPB for or as a result of this Agreement, but does not include the name, title or business address or telephone number of an employee of the Operator or of BHPB.

15.4 Unless this Agreement or the law otherwise specifies or BHPB otherwise directs in writing, the Operator should only collect, create, use and disclose Personal Information in respect of its own employees or in respect of the employees of BHPB which is necessary for the due performance of the Operator's obligations or for the exercise of the Operator's rights under this Agreement.

15.5 Unless this Agreement or the law otherwise specifies or BHPB otherwise directs in writing, the Operator must not collect, use or disclose Personal Information about an individual without the consent of the individual to whom the information relates.

15.6 The Operator agrees to protect all Personal Information collected or stored by it pursuant to Section 15.4 by taking reasonable security measures, in accordance with the sensitivity of the information in question, to protect the Personal Information against loss, unauthorized access thereto, theft, and any unauthorized collection, use, disclosure, copying, modification or disposal thereof.

15.7 The Operator further agrees to comply with all applicable laws and with all BHPB policies and practices that relate to the collection, use, disclosure, storage and disposal of Personal Information.

15.8 Unless the Agreement specifies otherwise, the Operator agrees to retain all Personal information arising in respect of or relating to this Agreement until directed by BHPB in writing to dispose of it or to deliver it in accordance with BHPB's direction.

- 15.9 The Operator agrees to immediately rectify, delete or update all Personal Information in its possession or control arising in respect of or relating to this Agreement on receiving instructions to such effect from BHPB.
- 15.10 The Operator is liable for protecting all Personal Information in its possession or control and for any loss or unauthorized use or disclosure thereof.
- 15.11 The Operator shall defend and hereby indemnifies and holds BHPB, its parent, affiliated and subsidiary companies and their respective officers, directors, employees, agents, contractors and representatives free and harmless from and against any and all losses, claims, liens, demands, liabilities and causes of action, including without limitation attorneys' fees and disbursements, resulting from or arising in respect of the Operator's alleged or actual breach of this Article 15.
- 15.12 The obligations of the parties under this Article 15 shall survive the expiry or earlier termination for any reason of this Agreement.

ARTICLE 16 – HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY POLICIES

- 16.1 All Operations carried out under this Agreement shall be governed by health, safety, environment and community ("HSEC") policies and standards (the "HSEC Standards") that shall be agreed to by the parties regarding both content and application and shall be formally documented by the parties. The HSEC Standards shall be appropriate for the specific Operations and be developed from:
- (a) the BHP Billiton HSEC Policies as set forth in Schedule "A" to this Agreement; or
 - (b) if the parties so agree: (i) the BHP Billiton HSEC Policies subject to specific exceptions based on the nature of the Operations; or (ii) comparable standards of a non-BHPB Operator which have been made available to and are accepted by all parties;
- 16.2 Each party to this Agreement hereby acknowledges that the HSEC Standards will be agreed and documented before Operations commence. If the nature of the activities to be carried out under this Agreement or the contractual relationship of the parties changes in any material way, any party may, acting reasonably and in good faith, request an amendment of the HSEC Standards to address such changes in the activities, and such request shall not be unreasonably denied by the other parties.
- 16.3 The Operator warrants that it is familiar with all applicable laws, regulations, orders and ordinances of any applicable governmental authority and the contractual requirements in the country and localities where the Operations will be carried out (hereafter collectively referred to as the "Applicable Laws"). Should Applicable Laws be of a different standard or quality than those stipulated by the HSEC Standards, then the most stringent requirement shall apply.
- 16.4 During the term of this Agreement, the Operator shall:

- (a) do, or cause to be done, all Operations under the Agreement in a good and workmanlike fashion;
- (b) carry out and cause its employees and contractors to carry out Operations in compliance with all Applicable Laws and HSEC Standards;
- (c) take and require its employees and contractors to take, all necessary precautions in carrying out the Operations to protect from damage or injury the environment, any person, the property of any person, reputation of a party or the Operator or any combination of the foregoing; and
- (d) act in accordance with the principles set out in the BHP Billiton Guide to Business Conduct, listed as item 2 in Schedule "A"

16.5 The parties acknowledge that HSEC matters are of utmost importance to the conduct of Operations by the Operator, its employees, and by contractors engaged by the Operator, and that any significant or sustained breach or violation of the HSEC Standards or Applicable Laws by the Operator, its employees, or its contractors, shall be deemed to be a material breach of this Agreement and shall be subject to all available remedies for such breach as provided for in law and the Agreement

16.6 The Operator shall permit each party which is not the Operator (a "Non-Operating Party"), at such Non-Operating Party's expense, reasonable access to the Operations and to all of Operator's HSEC records in respect of the Operations to confirm that the Operator (and any contractor engaged by the Operator) is complying with the Applicable Laws and the HSEC Standards.

16.7 Each Non-Operating Party shall have the right, but not the obligation, to conduct audits or inspections of the Operations and the equipment, records and work procedures of Operator and contractor's engaged by the Operator, and the Operator shall fully cooperate (and shall cause any contractor engaged by the Operator to fully cooperate) with the party in such audits and/or inspections

16.8 Any audits or inspections by a Non-Operating Party pursuant to Section 16.7 shall not relieve the Operator of its own obligations to conduct audits and reviews of its own and its contractor's HSEC performance.

16.9 The rights of a Non-Operating Party under this Article 16 may be exercised at the sole discretion of that party and whether a Non-Operating Party elects to exercise that right or notify the Operator of any failure to comply with the Applicable Laws or the HSEC Standards shall not in any way diminish the Operator's liability or obligations under this Agreement to comply with all statutory or contractual HSEC requirements.

16.10 During the term of this Agreement, the Operator will, if it, or any of its employees or contractors, violate any Applicable Laws or HSEC Standards, report such violation immediately to each Non-Operating Party and the Management Committee.

16.11 If any HSEC incident ("HSEC Incident") or near-miss incident ("Near-Miss Incident") occurs during Operations and involves any of the Operator's, any contractor's, a

party's, or any third party's personnel, property, plant or equipment, such incident shall be reported immediately by the Operator to each Non-Operating Party and the Management Committee, irrespective of whether injury to personnel or damage to property, plant or equipment resulted.

- 16.12 For purposes of this Article 16, "HSEC Incident" means any occurrence which has resulted in actual harm to a person, the environment, property of any person, reputation of a party or the Operator or any combination of the foregoing, and a "Near-Miss Incident" is any occurrence which could have caused, but which did not cause, actual harm to a person, the environment, property of any person, reputation of a party or the Operator or any combination of the foregoing.
- 16.13 The Operator shall take immediate steps to cause any violation of Applicable Laws or HSEC Standards to be corrected promptly and, shall also take immediate steps to avoid any recurrence of such violation as agreed with the Non-Operating Party or parties
- 16.14 If so requested by a Non-Operating Party, the Operator shall remove immediately from Operations any person or persons who were wilfully or negligently responsible for the violation of Applicable Laws or HSEC Standards or the occurrence of an HSEC Incident.
- 16.15 If a Non-Operating Party observes or becomes aware of any failure by the Operator, Operator's employees or contractors, to comply with the Applicable Laws or HSEC Standards of this Agreement, such party may, at its sole election, bring the observed failure(s) to the attention of the Operator and the Management Committee and the Operator shall immediately cause such failure(s) to be remedied.
- 16.16 If the failure by the Operator to comply with the Applicable Laws or HSEC Standards cannot be immediately remedied, the Operator shall immediately commence steps to remedy such failure within a reasonable period of time as agreed with the each of the Non-Operating parties
- 16.17 If the Operator does not remedy the failure within the reasonable time agreed under Section 16.16, any Non-Operating Party may require the Operator to suspend all Operations (or any defined part thereof) until the time that the Operations are brought into compliance with the Applicable Laws or HSEC Standards of this Agreement
- 16.18 Where a Non-Operating Party believes in good faith and acting reasonably that an imminent risk of injury to persons or significant risk of injury of property or environmental damage exists as a result of the conduct of Operations by Operator, its employees, or any of its contractors, such Non-Operating Party may, by written notice to the Operator describing the specific basis for such belief, require the immediate suspension of Operations until all parties agree on the steps necessary to remove such imminent or significant risk.