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DATE OF ISSUE:

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IRREVOCABLE STANDBY LETTER OF CREDIT NO. :
AMOUNT: CAD 25,500,000.00
DATE OF EXPIRY: (1 YEAR)
PLACE OF EXPIRY: TORONTO, ON

TO :

HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF INDIAN
AFFAIRS AND NORTHERN DEVELOPMENT
PAYABLE TO THE RECEIVER GENERAL FOR CANADA
C/O PO BOX 100, BUILDING 918
IQALUIT, NUNAVUT X0A 0H0
ATTENTION: REGIONAL DIRECTOR GENERAL, NUNAVUT REGIONAL OFFICERRECEIVER GENERAL
FOR CANADA

ON BEHALF OF THE MINISTER OF
INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT
P.O. BOX 100, BLDG. 918
IQALUIT, NUNAVUT X0A 0H0
ATTENTION: REGIONAL DIRECTOR
GENERAL, NUNAVUT REGION

APPLICANT:

ZINIFEX CANADA INC. (FORMERLY WOLF DEN RESOURCES INC.) [TO BE CONFIRMED]

401 – 1113 JADE COURT
THUNDER BAY, ONTARIO
P7B 6M7

DEAR SIRs,

AT THE REQUEST OF AND ON BEHALF OF THE APPLICANT, WE, SOCIETE GENERALE (CANADA),
TORONTO HEREBY ESTABLISH IN YOUR FAVOUR OUR IRREVOCABLE STANDBY LETTER OF
CREDIT FOR A SUM NOT EXCEEDING
CAD 25,500,000.00 (CANADIAN DOLLARS TWENTY FIVE MILLION FIVE HUNDERD HUNDRED
THOUSAND ONLY).

THIS STANDBY LETTER OF CREDIT SHALL BE AVAILABLE TO YOU UPON PRESENTATION TO
SOCIETE GENERALE (CANADA), SUITE 1002, 100 YONGE STREET, TORONTO ONTARIO M5C 2W1, OF
A STATEMENT SIGNED BY AN OFFICIAL OF THE DEPARTMENT OF INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT CERTIFYING THAT THE SIGNATORY IS AN OFFICIAL OF THE
DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT AND HAS AUTHORITY TO
SIGN THE STATEMENT ON BEHALF OF THE MINISTER OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT (THE "MINISTER"), AND EITHER THAT THE MINISTER IS ENTITLED TO APPLY THE
AMOUNT DRAWN, BEING ALL OR
PART OF THE SECURITY POSTED AND MAINTAINED PURSUANT TO WATER

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LICENSE NWB1LUP0008 ISSUED BY THE NUNAVUT WATER BOARD,
WHETHER AS ORIGINALLY ISSUED OR AS AMENDED OR RENEWED FROM
TIME TO TIME AND/OR PURSUANT TO LEASE 76E/14-1-9 OR LEASE 76E/14-2-10, OR
THAT THIS CREDIT IS DUE TO EXPIRE IN 90 DAYS OR LESS AND THAT THE
APPLICANT HAS NOT REPLACED THIS STANDBY LETTER OF CREDIT BY POSTING WITH THE
MINISTER OTHER SECURITY SATISFACTORY TO THE MINISTER.

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THE ORIGINAL STANDBY LETTER OF CREDIT MUST ACCOMPANY ANY DRAWING UNDER THIS
STANDBY LETTER OF CREDIT.

IT IS UNDERSTOOD THIS STANDBY LETTER OF CREDIT IS ISSUED FOR THE PAYMENT OF MONIES
ONLY AND WE HEREBY AGREE THAT WE SHALL HONOUR YOUR DEMAND FOR PAYMENT
WITHOUT ENQUIRING WHETHER YOU HAVE A RIGHT AS BETWEEN YOURSELVES AND THE
APPLICANT TO MAKE SUCH
DEMAND AND WITHOUT RECOGNIZING ANY CLAIM OF THE APPLICANT.

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PARTIAL DRAWINGS ARE PERMITTED

DRAWINGS MUST BE PRESENTED TO SOCIETE GENERALE (CANADA), -TORONTO, NOT LATER
THAN _____

WE HEREBY AGREE THAT DRAWINGS UNDER THIS STANDBY LETTER OF CREDIT WILL BE DULY
HONoured UPON PRESENTATION PROVIDED THAT ALL TERMS AND CONDITIONS HAVE BEEN
COMPLIED WITH.

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED TO BE
AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE
YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS
AT LEAST NINETY(90) DAYS PRIOR TO ANY SUCH DATE, WE SHALL NOTIFY YOU IN WRITING BY
REGISTERED MAIL OR COURIER THAT WE ELECT NOT TO CONSIDER THIS STANDBY LETTER OF
CREDIT RENEWED FOR ANY SUCH ADDITIONAL PERIOD.

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EXCEPT AS OTHERWISE EXPRESSLY STATED THIS CREDIT IS ISSUED SUBJECT TO
UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS, 2007 REVISION, ICC
PUBLICATION NO. 600.

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NOTWITHSTANDING ARTICLE 36 OF THE SAID PUBLICATION, IF THIS CREDIT EXPIRES DURING AN
INTERRUPTION OF BUSINESS AS DESCRIBED IN ARTICLE 36, WE AGREE TO EFFECT PAYMENT IF
THIS CREDIT IS DRAWN ON US WITHIN FIFTEEN (15) DAYS AFTER THE RESUMPTION OF BUSINESS.

SIGNED, SEALED AND DELIVERED by

and

as attorneys for Société Générale (Canada)

under power of attorney dated

December, 2007

in the presence of:

.....
Attorney

Print name:

.....)
Witness) Attorney
Print name:) Print name:

~~IN CONSIDERATION OF YOUR ISSUING YOUR IRREVOCABLE STANDBY LETTER
OF CREDIT AS ABOVE AT OUR REQUEST,
WE
ISSUE IN YOUR FAVOUR OUR COUNTERGUARANTEE NO FOR
AN AMOUNT OF CAD25,500,000.00 AND UNDERTAKE TO PAY TO YOU ANY SUM
OR SUMS NOT EXCEEDING CAD25,500,000.00 (CANADIAN DOLLARS TWENTY FIVE
MILLION FIVE HUNDRED THOUSAND ONLY) UPON RECEIPT BY US YOUR FIRST
DEMAND BY AUTHENTICATED SWIFT STATING THE AMOUNT OF YOUR
DEMAND
HEREUNDER AND STATING THAT THE AMOUNT OF YOUR SAID DEMAND IS THE
AMOUNT WHICH YOU HAVE BEEN REQUIRED TO PAY UNDER YOUR
IRREVOCABLE STANDBY LETTER OF CREDIT.~~

~~THIS COUNTERGUARANTEE WILL BE VALID UNTIL (at least 15 days after the expiry
date of the SBLC) AND WILL BE AUTOMATICALLY RENEWED FOR A ONE YEAR
PERIOD UPON THE EXPIRATION DATE UNLESS AT LEAST 120 DAYS PRIOR TO
ANY SUCH DATE, WE NOTIFY YOU IN WRITING BY AUTHENTICATED SWIFT THAT
WE ELECT NOT TO SO RENEW THIS COUNTERGUARANTEE.
THIS COUNTERGUARANTEE IS SUBJECT TO THE UNIFORM RULES FOR DEMAND
GUARANTEES OF THE ICC PUB 458.~~

..... SOCIETE GENERALE (CANADA)
..... Per:
.....

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