

DRAFT

DATE OF ISSUE:

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 OFFICE

APPLICANT:

ZINIFEX CANADA INC. (FORMERLY WOLFDEN RESOURCES INC.)

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 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 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.

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.

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.

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

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	)	Attorney
in the presence of:	)	Print name:
	)	
.....	)	
Witness	)	Attorney
Print name:	)	Print name: