

**GEOLOGICA
GROUPE-CONSEIL INC.**

**CRITICAL CAPITAL
CORPORATION
&
CASTLE PEAK MINING LTD.**

**NI 43-101 TECHNICAL EVALUATION
REPORT ON NKWANTA & AYIEM
CONCESSIONS**

Wassa-West District
Republic of Ghana, West Africa

UTM 613,000 m E and 555,000 m N

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1.0 SUMMARY (Item 3)

Critical Capital Corporation (“Critical Capital”) retained Geologica Inc. (“Geologica”) to carry out an independent Technical review of the Nkwanta and Ayiem Concessions located south and near the town of Tarkwa, southwestern Republic of Ghana in West Africa. This technical report was prepared for the Qualifying Transaction (as defined by the Policies of the TSX Venture Exchange) between Critical Capital and Castle Peak Mining Ltd. (“Castle Peak”). The review and report has been carried out and prepared in compliance with the standards of National Instrument 43-101 (“NI 43-101”).

Castle Peak holds a 100% interest in both the Nkwanta and Ayiem concessions, free and clear of all charges except for a 2.5% net smelter royalty (“NSR”) to Netas Mining Co. Ltd. for the Nkwanta concession and a 2.5% NSR to Foremost Mining Co. Ltd. for the Ayiem concession. Castle Peak holds the surface rights to both concessions, but will require work permits and local community approvals to realize further exploration work such as surveying, geophysical, geochemical, geological and sample surveys and drilling. The Nkwanta concession has an area of 33.55 km² while the Ayiem concession has an area of 56.98 km² for a total surface area of 85.70 km² and are easily accessible by 4X4 vehicle using logging and secondary gravel roads and footpaths from the main Takorado-Tarkwa road. The nearest population centre to these concessions is Tarkwa with an estimated population of approximately 33,500 inhabitants in 2005 where qualified local manpower, equipment and infrastructure is easily available.

The climate is semi-equatorial characterized by seasonal weather patterns of wet and dry seasons.

Both concessions were explored and locally mined for gold in the past with artisanal working reported as far back as the 1930’s. On the Nkwanta concession at the Apankrah mine site, old workings with shaft adits and pits were reported in the past and visited by one of the authors (Mr. A.J. Beauregard). At the eastern boundary of the Ayiem concession, the “Five (5) mile” mining site was also observed with basic surface and near surface trenching, pitting and drifting on NNE-SSW striking auriferous quartz-veins. The alluvial gold is concentrated using sluice boxes and then panned for recovery.

More recently (2008), on both concessions mapping, prospecting, local rock stream sediment, soil and auger sampling surveys were conducted with follow up geophysical (IP, VLF-EM and Mag) surveys on selected areas where N-S geochemical anomalies were identified. The two (2) concessions have had exploration expenditures of more than \$100,000 each and qualify for properties of “merit”.

The Nkwanta and Ayiem properties are hosted and are underlain by NNE-SSW Birimian Age metavolcanics and Tarkwaian metasediments of the Ashanti Belt of southwestern Ghana. These rocks are intruded by two (2) chemically distinct granitic suites which consist of Belts associated with the Dixcove and Cape coast Basin intrusions.

Deformation and metamorphism of Birimian metavolcanics and Tarkwaian metasediments (conglomerates, arkose, sandstones, siltstones and shales) are related to the Eburnean II orogeny with Five (5) distinct successive deformation phases, (D_1 to D_5) with D_2 Faults and D_5 reactivation for major deformation events such as strike slip, dilatants breccias, quartz veins and lens networks with pinch and swells (boudinage) hosted within faults and shear zones.

The gold mineralization is generally associated with quartz veins and reefs within structures and/or near deformation corridors as well as gold disseminations within paleo-placer Tarkawain conglomerates.

The Nkwanta concession is part of the Axim-Kononga-Gold Belt and mainly consists of metamorphosed mafic volcanic and pyroclastic rock units of the Upper Birimian and phyllites, schists, tuffs and greywackes of the Lower Birimian units.

The geology of the Ayiem concession consists of Birimian basalts and andesites and Tarkwaian argillites and volcanoclastics. The eastern and central parts of the property are in contact with Dixcove granite where the volcanic and volcanoclastic rock units dip 70° to the west and the south west with a N-S orientation.

With 1.8% of the world's total gold production, Ghana is a major western African producing country with six (6) gold mines in production and several others in preparation.

During the properties' visits, one of the authors (Mr. A.J. Beauregard) has collected 24 samples (8 rocks, 3 augers and 13 soils). One duplicate and one blank rock samples were taken for data verifications. The corroboration shows that results from these are within expected range for this type of mineralization and confirm the proven existence of gold mineralization.

The gold mineralization within the concessions occurs as free gold associated with quartz veins, reefs and stockworks in metamorphosed volcanics at the contact with metasediments. The quartz veins are observed as brecciations, stringers, networks and

vertical ductile shear zones. The gold is also associated with pyrite, arsenopyrite, galena, pyrrhotite and sphalerite.

The Nkwanta and Ayiem concessions of Castle Peak are still at the exploration stage. Recent work completed consisted of stream sediment, soil, auger and rock sampling as well as local geophysics (IP, Mag and EM) on selected geochemical anomalous axis. No diamond drilling was yet realized on the concessions with the exception of historical drilling completed on the Apankrah artisanal mine site. However, no core and core descriptions (logs) were available.

To the best of our knowledge, no environment liabilities are known to exist from previous work on the area.

Between 1986 and 1996, the Republic of Ghana produced 1.29 M oz of gold and in 2005 the production was 2.14 M oz (Mining Journal, 2006). There are a dozen major and mid-size mining companies producing gold, diamonds, bauxite, manganese and industrial minerals. Mining companies such as Anglo-Gold Ashanti, Newmont, Goldfields, Tarkwa Goldfields, Golden Star, lamgold, Rio Tinto, Pelangio, Etruscan, Volta, Red Back, etc. are actively busy exploring and mining in Ghana. The authors believe that the foregoing information gives a conceptual indication of the potential of the area and that it is pertinent to this report even if the authors are not presently able to corroborate the quantities or accuracy of this information.

The concessions lie within the Birimian rocks of Ghana which host significant gold deposits in Ghana and more significantly one of the targets for gold exploration is near the contacts between Birimian greenstones (metabasalts, etc.) and the granitoids. The soil survey generated several strong anomalies with N-S trend. The strike length of the Apankrah Main anomaly on the Nkwanta concession is about 3.4 km and the width about 0.40 km. Gold values range from less than 0.01 ppm to 7.07 ppm. The Apankrah West anomaly has a strike length of about 2.8 km and a width of about 0.30 km. Gold values range from less than 0.01 ppm to 0.58 ppm. It is recommended that further exploration works should continue. Auger sampling over the soil anomalies should continue on each concession. Drilling to know the extent of gold mineralization at the old Apankrah mine and all N-S trend on each concession are also recommended.

In the light of these observations and results, two (2) types of mineralizations were recognized on Nkwanta & Ayiem Concessions:

- 1) Vein-type vertical shear hosted and networks of quartz veins containing precious metals (Au, Ag).

- 2) Gold sulphide disseminations, veins and veinlets network of auriferous quartz minerals associated with altered and fractured differentiated intrusions of felsic mafic composition in contact with volcanic and sedimentary rock units.

The existing database needs to be preserved, re-evaluated and set-up in electronic format that can be queried and re-compiled to build an improved understanding of the geology of each concession. The authors recommend that Critical Capital and/or Castle Peak build a digital data file to hold all information for all possible drill holes, auger surveys, soil sampling surveys, mapping surveys on each concession and if possible all assay reports and certificates. Critical Capital and/or Castle Peak should undertake a more rigorous routine approach to sample assay quality assurance/quality control with more use of secondary laboratory check assaying, and to create a written sampling and assay reporting protocol so that reporting of assays is consistent. They should create and maintain an assay database independent of its sampling logs in which is recorded all sample assays, duplicates and blanks, sample locations and certificate numbers.

The authors recommend a two-phase exploration program be conducted on the Nkwanta and Ayiem concessions.

In Phase 1, a basic surface exploration program of US\$200,000 will consist of, topographic surveying, soil and/or alluvial geochemistry sampling and/or pitting and trenching; surface and geological reconnaissance and detail mapping of lithologic units, alterations, structures and mineralizations followed with outcrop and systematic underground workings sampling (channel); data digitization, integration and modelization followed by a work report with follow up recommended work.

If the results of Phase 1 are positive, then it is recommended that the Company proceeds with Phases 2A and 2B, consisting of complementary wells, trenching, other field investigations and diamond and RAB drilling (NQ-size) program on the best targets and mineralized extensions; a provision of 8,000 meters (4,000 metres on each concession). Data digitization, integration and modelization update and synthesis work report with compilation surface colour maps, sections, longitudinals, and figures. Phases 1, 2A and 2B of work recommendations are budgeted at \approx US \$3,242,300.

2.0 INTRODUCTION AND TERM OF REFERENCES (Item 4)

At the request of Mr. Brian Lock of Critical Capital Corporation (“Critical Capital”), Geologica Groupe-Conseil Inc. (“Geologica”) was given the mandate to prepare a NI 43-101 technical evaluation report on Nkwanta & Ayiem Concessions, located near the town of Tarkwa. The village of Nsuaem is located on the Nkwanta Concession. This technical report was prepared for the Qualifying Transaction (as defined by the Policies of the TSX Venture Exchange) between Critical Capital and Castle Peak.

This technical report has been carried out and prepared in compliance with the standards of NI 43-101 in terms of structure and content. Geologica understands that this report will also be used in support of the addressees’ financing objectives to realize exploration work on these concessions of merit.

This report has been prepared to fulfill the obligation to file an independent technical report as required by Policy 2.4 of the TSX Venture Exchange for a Qualifying Transaction. This evaluation arises in order to properly evaluate the property’s mineralized potential as well as to recommend adequate exploration efforts to bring it to an advance stage.

Past and recent exploration and development work completed on these concessions were reviewed and carefully examined. Reports and geological maps published by the Ministry of Lands, Forestry and Mines as well as by the Geological Survey Department of Ghana (“GGS”) were also reviewed.

One of the authors (Alain-Jean Beauregard) has visited these concessions between April 23rd and 27th, 2010. This report contains an exhaustive evaluation of all available data, as well as recommendations for follow-up work designed to assess and increase the mineral potential of the property.

All currency amounts are stated in US dollars.

2.1 *Terms of Reference*

Geologica Inc. was retained by Castle Peak to review the Nkwanta and Ayiem Concessions, to evaluate their potential, and to prepare a NI 43-101 report on their findings.

We understand this report will be filed by Critical Capital Corporation with securities regulators to meet its obligations with the TSX Venture Exchange as part of its financing.

This report was authorized by Mr. Peter J. Hawley, President of Castle Peak in March 25, 2010.

2.2 Scope of Work

The scope of work undertaken by Geologica involved an assessment of the geological and metallogenic potential of the Nkwanta and Ayiem Concessions located south of Tarkwa, Ghana, West Africa.

2.3 Basis of the Technical Report

In summary, this technical report is based on reports by previous owners, given the punctual operating history of the small artisanal colonial operation; geological and independent check assaying. Much of the information and data used to prepare this report was provided to Geologica by Castle Peak and consisted of work reports, assay results from recent sampling, surface mapping and photos concerning exploration on Nkwanta and Ayiem Concessions by Castle Peak.

2.4 Qualifications and Field Involvement of Consultant

Neither Geologica nor any of its employees in the preparation of this report has any beneficial interest in either Critical Capital or Castle Peak Mining. Geologica will be paid a fee for this work in accordance with normal professional consulting practice.

One of the authors, Jean-Alain Beauregard, acting as a Qualified Person under National Instrument 43-101, conducted personal inspection of Nkwanta and Ayiem Concessions during the period between April 23rd and 27th, 2010.

Statements of qualification for the qualified persons are included in Section 22.0 (Item 24).

The authors have reviewed and analysed data provided by Castle Peak, their consultants and previous owners of these concessions, and have drawn their own conclusions there from, augmented by its direct field examination. Geologica has not carried out any independent exploration work, drilled any holes core samples on these Concessions. However, the presence of mineralization in the local rocks is

substantiated by precious (Au, Ag) and polymetallic base metals (Pb, Zn, Cu, Ag, Au) both underground and at surface by the owners and the numerous prospectors in the area. Geologica has not performed any resource estimations on the property. During the field visit some local surface rock and soil samples and accompanying photos were taken by one of the authors (A.J. Beauregard) in order to confirm when available the presence of mineralizations.

While exercising all reasonable due-diligence in checking, confirming and testing the data publicly available by the local government agencies such as the Ministry of Lands, Forestry and Mines and the Geological Survey Department of Ghana (“GGS”), Geologica has also relied upon the data presented by Castle Peak in formulating its opinion.

The various agreements under which Castle Peak holds title to the mineral lands for these concessions have been reviewed by Geologica. The description of each concession, and ownership thereof, as set out in this report, are provided for general information purposes only. The details of these items are presented in Appendices I to VI.

The metallurgical, geological, mineralization and exploration technique descriptions used in this report are taken from reports prepared by Castle Peak, government agencies and previous owners.

Geologica is pleased to acknowledge the helpful cooperation of Castle Peak management and exploration personnel all of whom made any and all data requested available and responded openly and helpfully to all questions, queries and requests for material. Mr. Henry Sowah was a very useful assistant and collaborator during the field visit.

3.0 RELIANCE ON OTHER EXPERT (Item 5)

The authors from Geologica have not verified the legality of any underlying agreement(s) that may exist concerning the licenses or other agreement(s) between the parties and the Titleholders. Geologica offers no opinion as to the validity of the mineral title owned by Castle Peak. The description of the concessions, and ownership thereof, as set out in this report, are provided for general information purposes only.

All information adopted for use in this report by the authors was obtained from Castle Peak and considered to be reliable and is believed to be true and correct.

4.0 PROPERTY DESCRIPTION AND LOCATION (Item 6)

Castle Peak has acquired a 100% interest in Nkwanta and Ayiem concessions from the Titleholders. The two (2) concessions were host to exploration expenditures in excess of \$100,000 US each and qualify as properties of “merit”.

4.1 Location

The Nkwanta and Ayiem Concessions are located in the Wassa-West District (Tarkwa-Nsuaem municipality) in the Western Region of Republic of Ghana, southeast of Tarkwa. These concessions are located between latitudes 4°58'44"N & 5°06'00"N and longitudes 1°56'35"W & 2°03'03"W (ETRF 1989 UTM ZONE 30N: 613,000m E and 555,000m N), covering an area of 33.55 km² (13.58 hectares) and 56.98 km² (23.06 hectares) respectively (Figure 1).

4.2 Claim numbers or names

The mineral concessions are identified and present on Figure 2. The UTM coordinates of center of these concessions are as follows: UTM 613,000 m E and 555,000 m N. These concessions are owned by the Joint Venture Canterbury - Castle Peak at 100% interest. These concessions were delimited by the Ghanaian government by paper or map staking method.

Concession	Licence No.	Owner	Area (km²)	Granted Date	Expiry Date
NKWANTA	PL2/99	Castle Peak	33.55	1990-03-07	2010-09-14
AYIEM	PL2/166	Castle Peak	56.98	1996-04-02	2010-11-13

4.3 Ghanaian Mining Law

The following laws and regulations govern mining in Ghana:

- Minerals and Mining Law, 1986 (PNDCL 153),

- Minerals and Mining Law (Amendment), 1994 (Act 475),
- The Minerals Commission Law, 1986 (PNDCL 154),
- The Small Scale Mining Law,
- Minerals Royalties Regulations, 1987 (L.I. 1349), and;
- The Additional Profits Tax Law, 1982 (PNDCL 122).

The Government has a 10 % non-participating interest in all exploration and mining ventures with the right to purchase an additional 20 % equity interest in the mining venture at a fair market price. Royalties of 3 %-12 % of mineral revenue are paid to the Government. Companies may export gold to any foreign refiner upon approval of the Government.

The Government has a pre-emptive right to purchase the gold production at fair market value, although, this right has never been exercised. Offshore foreign currency retention accounts for the receipt of foreign currency including the proceeds from gold production are permitted. Funds in the account must be utilized in the following order:

- Operating costs, including royalties and management fees,
- Interest in respect of senior debt, interest in respect of subordinate debt and/or claims approved by Government,
- Tax,
- Redemption payments with reference to senior debt, subordinate debt or approved claims, and;
- Ordinary dividends to shareholders in accordance with shareholder's respective equity interests.

A surplus in the account may be used for permitted investments. Copies of the monthly statements of the account are to be submitted to the Central Bank within fifteen business days of the end of each month.

Corporate tax is currently 32.5 %, although, no tax is due until capital debt has been repaid. Capital expenditures can be written-off, up to 75 % in the first year and 50 % off the declining balance in subsequent years. An investment allowance of 5 % is permitted, annually.

The Minerals and Mining (Amendment), 1994 reduced corporate taxes from 45 % to 35 % and subsequently to 32.5 %. As well the Act introduced the concept of "Golden Shares" whereby the Government (in addition to their mandated 10 % interest) is empowered to acquire a special share in the joint-operating company for no

consideration. The actuality is that the Ghanaian Government has expressed an interest in possibly divesting itself of its equity interest in certain mining projects.

This Act fundamentally changes the definition of a mining company and provides for up to four classes of shareholder controllers. The Act imposes closer Government control on mining operations and a waiting period on the ratification of large-scale transactions.

Three forms of mineral land tenure are recognized:

- **Reconnaissance Licence:** entitles the holder to search for specified minerals by geochemical, geophysical and geological means. It does not permit drilling, excavation or other physical activities on land, except where such activity is specifically permitted by the Licence. It is normally granted for twelve months and may be renewed. In practice the duration is negotiable and related to the extent of the proposed reconnaissance program.
- **Prospecting Licence:** entitles the holder to search for specified minerals for three years in an area covering at most 150 km², but this size limit can be exceeded at the discretion of the Government. A Prospecting Licence is renewable for two years with a reduction in area.

Mining Lease: entitles the holder to extract minerals. A Lease is granted for thirty years over a maximum area of 50 km², or, where a holder has more than one lease an aggregate of 150 km². These limits are negotiable.

The holder of mineral land tenure does not automatically obtain ownership of surface rights. A number of timber concessions are present in the lease area.

4.4 Nature and Extent of Title

Castle Peak holds the two (2) concessions described in section 4.2, and holds surface rights to 85.70 km². The concessions are in good standing, free and clear of any encumbrances except a 2.5% NSR to Netas Mining Co. Ltd. for the Nkwanta concession and 2.5% NSR to Foremost Mining Co. Ltd. for the Ayiem concession.

On March 17, 2010, Castle Peak entered into a letter of intent with Critical Capital under which the parties agree that Critical Capital will acquire all of the issued and outstanding shares of Castle Peak in exchange for 18,000,000 common shares of Critical Capital. If the acquisition is completed, Critical Capital will then hold a 100% interest, through its wholly-owned subsidiary Castle Peak, in both the Nkwanta and Ayiem concessions.

4.5 Survey

Castle Peak has not had the concession surveyed and bordered for Nkwanta and Ayiem Concessions. These concessions were delimited by the Ghanaian government by the paper staking method.

4.6 Environment liabilities

To the best of our knowledge no environment liabilities are known to exist from previous work on the area.

4.7 Permits

Castle Peak will need to obtain necessary work permits and local community approvals to realize future exploration work such as surveying, geophysical, geochemical, geological and sampling surveys, and drilling.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURES AND PHYSIOGRAPHY (Item 7)

The project area is characterized by gently rolling hills incised by an extensive drainage network. The area is relatively wet, with many low lying swampy areas. Extensive subsistence farming occurs throughout the area, with plantain, cassava, pineapple, maize, and cocoyams being the principle crops. Some small scale cultivation of commercial crops is also carried out, with rubber, cocoa, teak, coconuts and oil palm being the most common. With the exception of the forest reserve, there is little primary forest remaining, the area being mainly secondary regrowth. The elevation on these projects is approximately 90 m.a.s.l. (meters above sea level).

5.2 Access

The Nkwanta and Ayiem Concessions are located in the Tarkwa-Nsuaem municipality in the Western Region of Ghana, southeast of Tarkwa. These projects are located between 4°58'44"N & 5°06'00"N and longitudes 1°56'35"W & 2°03'03"W (ETRF 1989 UTM ZONE 30N: 613,000m E and 555,000m N).

These concessions are accessible by network of roads and footpaths. They can be reached by the main Takoradi-Tarkwa road. Sekondi-Takoradi, the Western regional capital is about 40 minutes drive from the project.

5.3 Proximity to population centre

The nearest population centre to these concessions is Tarkwa with a population estimated of 33,500 habitants.

5.4 Climate

The area of these concessions falls within the semi-equatorial climatic zone of Ghana. The climate is characterized by seasonal weather patterns, involving a double wet season from April to June (major) and October to November (minor), and a main dry season between December and March. Average annual rainfall is 2,030 millimeters per annum.

6.0 HISTORY AND PREVIOUS WORK (Item 8)

Several exploration works were realized both the Nkwanta and the Ayiem concessions were explored and locally mined for gold in the past with artisanal working reported as far back as the 1930's.

With 1.8% of the world's total gold production, Ghana is a major western African producing country with six (6) gold mines in production and several others in preparation.

Between 1986 and 1996, Ghana produced 1.29 M oz of gold and in 2005 the production was 2.14 M oz (Mining Journal, 2006). There is a dozen major and mid-size mining companies producing gold, diamonds, bauxite, manganese and industrial minerals. Mining companies such as Anglo-Gold Ashanti, Newmont, Goldfields, Tarkwa Goldfields, Golden Star, lamgold, Rio Tinto, Pelangio, Etruscan, Volta, Red Back...etc. are actively busy exploring and mining in Ghana. The authors believe that the foregoing information gives a conceptual indication of the potential of the area and that it is pertinent to this report even if the authors are not presently able to corroborate the quantities or accuracy of this information.

Nkwanta Concession

On March 7, 1990, the Government of the Republic of Ghana granted Netas Mining Company Limited ("Netas") a two-year prospecting license for the Nkwanta concession. The prospecting license has been renewed and expires on September 14, 2010. Netas subsequently transferred its 100% interest in the Nkwanta concession to Canterbury Mining Company Ltd. ("Canterbury") under a joint venture agreement dated March 10, 2005, and amended March 22, 2005 and June 28, 2007. The prospecting license is currently registered to Netas but will be transferred to Canterbury once appropriate documents are filed with the Minerals Commission along with a filing fee of US\$25,000. In 2007, Castle Peak acquired Canterbury as a wholly-owned subsidiary.

In 1992, Netas contracted an independent firm, Quest Resource Development Consultancy, to carry out a range of exploration activities on the Nkwanta concession. Exploration pits were dug to test for alluvial gold potential with testing done via sluice box to produce a heavy concentrate for further panning. Some small adits and pits were re-examined in the Appankran Hills area and channel/rock chip samples taken. The team also carried out a VLF-EM survey over an area of 2x2km with lines spaced at 100m. This survey highlighted 5 conductive zones that were followed up by ground visits only.

Ayiem Concession

On April 2, 1996, the Government of the Republic of Ghana granted Foremost Mining Company Limited (“Foremost”) a two-year prospecting license for the Ayiem concession. The prospecting license has been renewed and expires on November 13, 2010. Netas subsequently transferred its 100% interest in the Nkwanta concession to Canterbury Mining Company Ltd. (“Canterbury”) under a joint venture agreement dated March 10, 2005, and amended March 22, 2005 and June 28, 2007. The prospecting license is currently registered to Foremost but will be transferred to Canterbury once appropriate documents are filed with the Minerals Commission along with a filing fee of US\$25,000. As mentioned above, in 2007, Castle Peak acquired Canterbury as a wholly-owned subsidiary.

In 2005, Foremost collected 62 stream sediment samples on the Ayiem concession. The mapping of outcrops was also completed. Best results obtained vary from 50 to 1120 ppb Au (ref. Summary Report December 2005 – Ayiem Prospect – Foremost Mining Co. Ltd.).

Canterbury has completed 378.5 kilometers grid lines and a total of 2,337 soil samples on the Ayiem concession. The soil sampling was realized following a grid of 200 by 50 meters at a depth of about 50 centimeters. This sampling has permitted to identify several gold anomalies (200 to 1600 ppb Au) following an oriented axis of NNE-SSW.

7.0 GEOLOGICAL SETTING (Item 9)

7.1 *Regional Geology*

The geology of Ghana is comprised predominantly of rocks of the Birimian (2.17-2.18Ga) and to a lesser extent of units of the Tarkwaian (2.12-2.14Ga, after Davis et al. 1994).

The Birimian consists of narrow greenstone (volcanic) belts, which can be traced for hundreds of kilometers along strike but are usually only 20 to 60km wide (Map 1), separated by wider basins of mainly marine clastic sediments. Along the margins of the basins and belts there appears to be considerable interbedding of basin sediments and volcanoclastic and pyroclastic units of the volcanic belts. Thin but laterally extensive chemical sediments (exhalites), consisting of cherts, fine-grained manganese-rich and

graphitic sediments, often mark the transitional zones. The margins of the belts commonly exhibit faulting on local and regional scales.

These structures are fundamentally important in the development of gold deposits for which the region is well known. The Tarkwaian rocks, on the other hand, consist of a distinctive sequence of metasediments (quartzite, conglomerate and phyllite) occurring within a broad band along the interior of the Ashanti Belt. They host important paleoplacer gold deposits in the Tarkwa district. Equivalent rock types occur in other belts of the region but in relatively restricted areas. In the type locality at Tarkwa, the sequence is in the order of 2.5km thick, whereas in the Bui belt, comparable units are about 9 kilometer thick sediments that mark a rapid period of erosion and proximal deposition during the late-stage of an orogenic cycle.

All of the Birimian sediments and volcanics have been extensively metamorphosed; the most widespread metamorphic facies appears to be greenschist, although in many areas, higher temperatures and pressures are indicated by amphibolite facies.

Multiple tectonic events have affected virtually all Birimian rocks with the most substantive being a fold-thrust compression event (Eburnean Orogeny) that affected both volcanic and sedimentary belts throughout the region and to a lesser extent, Tarkwaian rocks. For this reason, relative age relations suggest that final deposition of Tarkwaian rocks took place as the underlying and adjacent volcanic and sedimentary rocks were undergoing the initial stages of compression deformation. Studies in the western part of the region (Milesi et al., 1992) have proposed several separate phases of folding and faulting suggesting a change in stress direction from northeast to southwest, to north to south. However, a regional synthesis by Eisenlohr (1989) has concluded that, although there is considerable heterogeneity in the extent and styles of deformation in many areas, most of the structural elements have common features, which are compatible with a single, extended and progressive phase of regional deformation involving substantial northwest-southeast compression.

The mineralization is contained in the Banket Series of rocks within the tarkwaian System of Proterozoic age.

The Tarkwa deposits are hosted within Palaeoproterozoic sedimentary rocks of the Tarkwaian Group in the southern part of the Ashanti Belt in southwest Ghana. The Ashanti Belt comprises metavolcanics and metasediments of the Birimian Group which are intruded by at least two chemically distinct granitic suites and unconformably overlain by Tarkwaian Group metasediments. Tight to isoclinal folding of both

stratigraphic groups and major thrust faulting occurred during the Eburnian orogeny to produce the strong northeast structural grain of the Ashanti Belt. Metamorphic grades vary locally from lower greenschist facies in the Tarkwa mine area to mid-amphibolite facies at Damang.

7.2 Local Geology

The Nkwanta and Ayiem properties are hosted and are underlain by NNE-SSW Birimian Age metavolcanics and Tarkwaian metasediments of the Ashanti Belt of southwestern Ghana (Figure 3). These rocks are intruded by two (2) chemically distinct granitic suites which consist of: 1) Belts associated Dixcove and 2) Cape coast Basin associated intrusions.

Deformation and metamorphism of Birimian metavolcanics and Tarkwaian metasediments (conglomerates, arkose, sandstones, siltstones and shales) are related to the Eburnean II orogeny with Five (5) distinct successive deformation phases, (D₁ to D₅) with D₂ Faults and D₅ reactivation for major deformation events such as strike slip, dilatants breccias, quartz veins and lens networks with pinch and swells (boudinage) hosted within faults and shear zones.

The geology of the Ayiem concession consists of Birimian basalts and andesites and Tarkwaian argillites and volcanoclastics. The eastern and central parts of the property are in contact with Dixcove granite where the volcanic and volcanoclastic rock units dip 70° to the west and the south west with a N-S orientation.

The Nkwanta concession is underlain by Birimian metavolcanic rocks with granitoid intrusions (Figure 2). The metavolcanics mostly metabasalts, fine-grained and dark green in color, occupy about 30% of the surface area. The general trend of the metavolcanics is NE-SW with steep dips to the southeast. Shear zones are developed within the metavolcanics. Pyrite occurrences within the metavolcanics are rare to common. At the contact with the intrusives the metavolcanics are massive with no visible primary bedding. The granitoid intrusions have been accompanied by hydrothermal activities evidenced by the numerous lenses of quartz veins and veinlets within the metavolcanics. The most prominent quartz structure, in a shear zone and within the metavolcanics on the Apankrah hills, has a NE-SW orientation and dips steeply to the southeast. The quartz vein, more than 1 m in width and strike length of more than 100 m is shattered and pyritized in few places.

Illegal alluvial gold mining is being carried out within the Nkwanta concession mostly close to the old Apankrah mine. At old Apankrah mine itself a number of holes

were drilled, the target been quartz veins within the metavolcanics. Some significant intersections were made. One drill hole intersected a mineralized zone with 4 metres at 8.55 g/t between 19 metres and 23 metres mentioned in previous quarterly report. However, DDH logs and core is now unavailable. What is seen at old Apankrah mine now is an old pit that has collapsed in places stretching for more than 100 metres in a northeast direction suggesting that the mined out quartz veins were trending in that direction. Illegal miners still working in the pit estimate that they have mined to a depth exceeding 30 metres. Quartz veins hosting gold mineralization, fractured in places, are milky to smoky in color and pyritized in places. Chip samples (quartz vein) returned gold values exceeding 5 ppm.

8.0 DEPOSIT TYPES (Item 10)

Most of the deposits in the Tarkwa region are classified as a classic greenstone-hosted quartz-carbonate vein lode gold deposit. The current exploration model has focused on structural controls on the emplacement of epithermal gold mineralization possibly related to the nearby Cape Coast or Dixcove granitic intrusions. This would suggest a "one-of" hydrothermal event. The gold mineralization appears to be locally remobilized into discontinuous, boudinaged quartz veins within a volcano-sedimentary package as a result of regional metamorphism to greenschist and lower amphibolite facies. Subsequent deformation has extensively, and preferentially, disrupted the thin sequence. It would appear that gold has not been moved far from its primary depositional source, which may account for the overall low grade of the deposit. The veins contain coarse, particulate gold (a so-called nuggety deposit) with erratic distributions.

The main areas of gold mineralisation in Ghana are confined to the Birimian and the Tarkwaian rocks which are associated with north northeast-trending structural belts. These belts are believed to be related to a major episode of intra continental rift with prolonged volcanic and tectonic activity (Hastings, 1982). However, the bulk of gold is associated with the Birimian which hosts a set of five parallel belts, approximately evenly spaced, over 300 km long, northeast-trending volcanic ridges. The ridges are bounded by steeply-dipping, deep regional fissures and are separated by basins containing meta-pyroclastic and meta-sedimentary rocks (Luebe *et al.*, 1990).

The most favourable areas of gold mineralization in the Birimian and the Tarkwaian are found:

- A) In a major shear system in early Proterozoic rocks, e.g., Prestea and Obuasi (Appiah *et al.*, 1991).

- B) In intermediate and mafic intrusions, mainly within the “greenstone” belts (Griffis *et al.*, 2002).
- C) In mafic volcanics in some areas, especially in the Ashanti Belt, e.g., Konongo (Griffis *et al.*, 2002).
- D) In transitional zones between the belts and the basins (Griffis *et al.*, 2002).
- E) The banket conglomerates of the Tarkwa district.
- F) Oxide and laterite occurrences.

The AngloGold Ashanti has three operations in Ghana: the Obuasi mine (which comprises both surface and underground operations), the Iduapriem mine (open-pit) and the Bibiani mine (open-pit with underground development).

1-The Obuasi Gold Mine is part of a prominent gold belt of Proterozoic (Birimian) volcano-sedimentary and igneous formations which extend for a distance of approximately 300 kilometers in a northeast south-west trend in south-western Ghana. Obuasi mineralization is shear zone related and there are three main structural trends hosting gold mineralization: the Obuasi trend, the Gyabunsu trend and the Binsere trend.

Two main ore types are mined:

- Quartz veins which consist mainly of quartz with free gold in association with lesser amounts of various metal sulphides such as iron, zinc, lead and copper. The gold particles are generally fine grained and occasionally are visible to the naked eye. This ore type is generally non-refractory; and
- Sulphide ore which is characterized by the inclusion of gold in the crystal structure of a sulphide material. The gold in these ores is fine grained and often locked in arsenopyrite. Higher gold grades tend to be associated with finer grained arsenopyrite crystals. Other prominent minerals include quartz, chlorite and sericite. Sulphide ore is generally refractory.

2- The Bibiani Mine was closed in 1968 after producing some 77 tons of gold over a 66-year period. The Bibiani mine was restarted in 1998 as an open-pit mine with a CIL plant. The mine had previously operated between 1903 and 1968 as an underground operation with minor surface quarrying activities. In addition to the open-pit ores,

resources at Bibiani include old tailings dumps and underground mineral potential which is presently being explored and evaluated.

The Bibiani gold deposit lies within Birimian metasediments and related rocks which occur in the Proterozoic Sefwi Belt of southern Ghana. Gold and gold-bearing sulphide mineralization occurs in quartz filled shear zones and in altered rocks adjacent to those shears. The full strike of the Bibiani structure is at least 4 kilometers. For metallurgical classification there are three main ore types at Bibiani: primary, transition and oxide. Further lithological classification gives four ore types: quartz (generally high grade), stockwork (medium-high grade), phyllites and porphyry (both low grade).

3- The Iduapriem Gold Mine is located in the Western Region of Ghana, some 70 kilometers north of the coastal city of Takoradi, and 10 kilometers south-west of Tarkwa. The Iduapriem and Teberebie gold mines are located along the southern end of the Tarkwa basin. The mineralization is contained in the Banket Series of rocks within the Tarkwaian System of Proterozoic age. Gold occurs predominantly within the matrix of the conglomerates.

The Bogoso-Prestea deposit has produced 250 tons (?) of gold in the past but only produces 0.6t a year now. Mineralization occurs over a strike length of 1,000 metres in a composite quartz vein averaging 2m wide. Three main reefs are known and coalesce at depth. The reefs cut in and out metasediments and mafic volcanics. Prestea is along the same major shear zone as Ashanti and Konongo. Other smaller gold deposits occur along strike both to the north and to the south.

Konongo (also named the Southern Cross mine) is found in the northern part of the Ashanti shear zone before it disappears under Late Proterozoic sandstones. Four NE quartz veins have been exploited. Gold occurs in quartz together with arsenopyrite and pyrite and as disseminated sulfide lenses in bleached lithic tuff or arkose. Host rocks consist of Birimian volcanoclastics, graphitic argillites, tuffs, quartzites, gondites, and metavolcanics. Grades in the quartz veins can be spectacularly high (>100 g/t Au) but erratic; average grade is estimated at around 12-15 g/t Au. In the disseminated sulfides, grades are estimated at around 8 g/t Au.

The Tarkwa deposit is different from the previous one because here, gold is found in conglomerates together with hematite and magnetite. Tarkwa deposit has produced some 130 t of gold since 1912. The project is owned by Goldfields Ltd.

9.0 MINERALIZATION (Item 11)

The gold mineralization is generally associated with quartz veins and reefs within or controlled by structures and/or near N-S deformation corridors as well as gold disseminations within paleo-placer Tarkawain conglomerates. Shear zones are developed within the metavolcanics. Pyrite occurrences within the metavolcanics are rare to common. The most prominent quartz structure, in a shear zone and within the metavolcanics on the Apankrah hills, has a NE-SW orientation and dips steeply to the southeast. The quartz vein, more than 1 metre in width and strike length of more than 100 metres is shattered and pyritized in few places.

The gold mineralization within the concessions occurs as free gold associated with quartz veins reefs and stockworks in metamorphosed volcanics at the contact with metasediments. The quartz veins are observed as brecciations, stringers and network vertical ductile shear zones. The gold is also associated with pyrite, arsenopyrite, galena, pyrrhotite and sphalerite.

10.0 EXPLORATION (Item 12)

The Nkwanta and Ayiem concessions of Castle Peak are still at the exploration stage. Recent work (2009) was completed on the Nkwanta concession by Netas Mining Company Limited for Castle Peak Mining Limited and has consisted of stream sediment, soil, auger and rock sampling as well as local geophysics (IP, Mag and EM) on selected geochemical anomalous axis where N-S geochemical anomalies were identified. A total of 139,000\$US was spent for these exploration works.

10.1 Soil sampling on Nkwanta

Soil samples were collected from the B-horizon on a 200 m × 50 m grid. At each sample location a small pit of a diameter of about 20 cm was dug up to a depth of 50cm. Soils from the depths ranging from 45 cm to 50 cm were collected, bagged and labeled. The average weight of a sample was 3 kg. Spatial and non-spatial information were

recorded for each sample and location. A total of 1,259 samples have so far been collected (ref: Terminal Report – Nkwanta Mining Concession – June 2009).

10.2 Results and Interpretation of Soil Anomalies

Two soil anomalies, Apankrah Main (AM) and Apankrah West (AW) trending north-south were identified by the geophysical surveys conducted on the Nkwanta concession. The AM anomaly has assay gold values between less than 0.01 ppm and 7.07 ppm, strike length of about 3.4 km and a width of about 0.40 km. The AW anomaly has assay gold values between less than 0.01 ppm and 0.58 ppm, strike length of about 2.8 km and a width of about 0.30 km. To the northeast of the baseline are some weak and discontinuous anomalies (ref: Terminal Report – Nkwanta Mining Concession – June 2009).

On the Ayiem concession, the exploration work has revealed two parallel soil anomalies varying between <0.01ppm to a maximum of 1.99ppm Au from 1,302 soil samples.

Assay results for the independent samples are listed below compared with original assays obtained by Geologica and Castle Peak Mining Limited.

Sample No. 1095107 was taken as “duplicate” sample. Sample No 1095124 was taken as “blank” sample.

The results (24 samples collected by Geologica) confirm the presence of significant gold (Au) mineralization and corroborate with previous sampling realized by Castle Peak Mining Limited in 2008.

Project	Sample-type	Sample (Geologica)	Sample (Castle Peak or other)	Au-ppm (Geologica)	Au-ppm (CastlePeak or other)	Utm-East	Utm-North	Date
Nkwanta	Grab	1095101	*	0.070	*	609872	553107	24-04-2010
Nkwanta	Grab	1095102	*	24.600	*	609872	553107	24-04-2010
Nkwanta	Grab	1095103	*	0.140	*	608419	554635	24-04-2010
Nkwanta	Grab	1095104	*	0.070	*	608419	554635	24-04-2010
Nkwanta	Grab	1095105	*	1.720	*	609832	553084	25-04-2010

Nkwanta	Grab	1095106	*	0.180	*	609832	553084	25-04-2010
Duplicate	NA	1095107	NA	0.140	NA	Duplicate	Duplicate	25-04-2010
Nkwanta	Auger	1095108	CPM13827	0.340	0.259	608441	554636	25-04-2010
Ayiem	Soil (B-Horizon)	1095109	AYM 108/6700	0.034	0.020	614171	558132	25-04-2010
Ayiem	Soil (B-Horizon)	1095110	AYM 108/6650	0.062	0.490	614112	558146	25-04-2010
Ayiem	Soil (B-Horizon)	1095111	AYM 108/6600	0.047	0.210	614089	558158	25-04-2010
Ayiem	Soil (B-Horizon)	1095112	AYM 108/6550	0.076	0.150	614038	558164	25-04-2010
Ayiem	Soil (B-Horizon)	1095113	AYM 108/6500	0.011	0.110	614021	558168	25-04-2010
Nkwanta	Auger	1095114	CPM13828	0.680	0.501	608450	554640	25-04-2010
Nkwanta	Auger	1095115	CPM13829	0.050	0.235	608457	554636	25-04-2010
Ayiem	Soil (B-Horizon)	1095116	AYM 88/6000	0.029	0.070	613225	556529	26-04-2010
Ayiem	Soil (B-Horizon)	1095117	AYM 88/6050	0.054	0.090	613274	556534	26-04-2010
Ayiem	Soil (B-Horizon)	1095118	AYM 886100	0.288	0.010	613326	556533	26-04-2010
Ayiem	Soil (B-Horizon)	1095119	AYM 88/5950	0.289	0.020	613173	556530	26-04-2010
Ayiem	Soil (B-Horizon)	1095120	AYM 88/5900	0.175	0.150	613112	556528	26-04-2010
Nkwanta	Soil (B-Horizon)	1095121	NNT 60/2200	0.005	0.100	609170	554988	26-04-2010
Nkwanta	Soil (B-Horizon)	1095122	NNT 60/2250	0.066	0.080	609221	554992	26-04-2010
Nkwanta	Soil (B-Horizon)	1095123	NNT 60/2300	0.730	0.140	609276	554997	26-04-2010
Blank	NA	1095124	NA	0.010	NA	Blank	Blank	27-04-2010

* Samples taken by Geologica are compared with samples collected by Castle Peak in the Apankrah mine site and around shown on Figure 4. Gold values obtained by Castle Peak are unavailable.

Geologica collected 24 samples (6 chip rock, 3 auger and 3 soil samples) on the Nkwanta property and 10 soil samples were collected on the Ayiem concession (Map 2).

10.3 Interpretation of Integrated map of soil and geology on Nkwanta

Superimposing the defined soil anomalies on the geology did not reveal any preferred association of good soil values to any particular rock type as anticipated (Figure 4). Both the metavolcanics and granitoid intrusions have good soil values fairly distributed within them (ref: Terminal Report – Nkwanta Mining Concession – June 2009).

11.0 DRILLING (Item 13)

No diamond drilling was yet realized on the concessions with the exception of historical drilling completed on the Apankrah mine site. However no core and core descriptions (logs) were available for this historical drilling.

12.0 SAMPLING METHOD AND APPROACH (Item 14)

The sampling method and approach used during the past exploration program by Foremost and Netas is not detailed in their work report. However, the procedure that was used and described to us when we discussed with the authors of the past work report shows that, their approach was similar to ours with respect to known modern industry standards using chisel and hammer with channels (1 inch deep) across the mineralized structure. The fallen chips on a tarp was transferred to plastic sample bags numbered, identified with laboratory booklet waterproof ticket closed, sealed and transported from site to Laboratory by 4X4 pickup truck.

During the recent visit by Geologica, 24 samples were collected. Eight (8) rock samples were collected over 1 to 1.5 meters across the mineralized structures. The bags were doubled, firmly attached and carried to a small pickup truck by one of the authors (Alain-Jean Beauregard) then securely driven to Tarkwa to S.G.S Lab. The 24 samples (no 1095101 to 1095124) were revised with S.G.S. Lab personnel and sent for assay using Au-AA23. Out of the 24 samples, 1 duplicate sample and 1 blank sample were taken.

Quality control measures from the lab (SGS of Tarkwa and Transworld Laboratory) include internal and external standards, duplicates and blanks check assays and sieving tests on pulverized material. These quality control measures permit an assessment of the analytical equipment but do not cover for irregularities in sample preparation of the assaying process.

Geologica has collected a limited number of soil and grab samples during the site visits. Results are within the expected range for vein-type gold mineralization and are adequate to show the existence of gold mineralization on the concessions. In the opinion of the authors, the samples are representative of the mineralization on the concessions.

It is important to note that QAQC protocol (duplicates, blanks and standards) was not followed by past owners on the Nkwanta and Ayiem concessions during past work. The authors recommend adequate QAQC protocol be followed in future exploration work.

13.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY (Item 15)

The soil and auger samples collected by past owners on the Ayiem concession (Foremost Mining Company Limited), on the Nkwanta concession (Netas Mining Company Limited) and more recently by Castle Peak Mining Limited, were recorded, bagged and sent to Transworld Laboratory in Tarkwa. Since October 2008, this laboratory was acquired by Genalysis Laboratory Services, a member of the Intertek Group and accredited by NATA (National Association of Testing Authorities) Australia in accordance with ISO/IEC 17025 including ISO 9001-2000.

The sample preparation and BLEG (Bulk Leach Extractable Gold) analysis for the soil and auger samples (on 1.0 kg samples with fraction of -75 μm) were performed by Transworld Laboratory of Tarkwa in Ghana. No employee director or associate of Castle Peak was involved in the sample preparation.

The sampling preparation procedure was completed following the herebelow step descriptions:

- 1) The sample is received and then sorted.
- 2) It is then dried at 120°C in a controlled temperature oven.
- 3) The entire sample is crushed and sieved to 6 mm.
- 4) It is then pulverised entirely to 0.75 mm (or -200# mesh).
- 5) The sample is then homogenized by mat rolling and a weight of 1 kg of sample material is transferred into a bottle (Bleg roll bottle). A residual pulp is retained.
- 6) A solution of 30 g Ca (OH), 1.5/1 g NaCN and 1000 ml of water is mixed with the sample material in the bottle and the bottle is rolled for 24 hours.
- 7) The bottle is removed from the roller and allowed to settle for 2 hours.
- 8) The sub-sample is filtered with 50 ml of clear liquor into a flask and the tails are discarded.
- 9) Extract of 3 ml to 5 ml of digested (DIBK).
- 10) And assayed with atomic absorption (AAS) finish.

The authors rely on these past samples to complete their data corroboration. Also, this method is a very cost effective grassroots exploration tool to detect low grade gold dispersion as low as 0.1 ppb.

The samples collected by Geologica to complete the data corroboration, were recorded, bagged and sent to S.G.S Laboratory (which is a world reknown SGS approved laboratory) in the town of Tarkwa. It is certified ISO 17025 and ISO 9001 with LIMS (Laboratory Information management System) for sample tracking.

Samples collected by Geologica were analyzed for gold only via a 30 grams pulp by FAA for Au. Re-assays by FA gravimetric finish are performed on samples assaying greater than 1.0 g/t Au and re-assays greater than 5.0 g/t Au are checked a second time by FA gravimetric finish. The sample locations and results are presented on Map No. 2 at the end of the report.

The authors are confident that the sample results are relatively reliable and accurate as assayed in a worldwide recognized laboratory (S.G.S Lab), and that the sample preparation, security and analytical procedures are adequate.

The soil sample size required for BLEG (Bulk Leach Extractable Gold) analysis is representative after 90% recovery that is generally observed for this method. At this early stage of exploration, the sampling that was completed would not have any influence on an eventual resource estimate. However it is important to note that QAQC protocol (duplicates, blanks and standards) was not followed by past owners on the Nkwanta and Ayiem concessions during past work. The authors recommend adequate QAQC protocol be followed in future exploration work.

14.0 DATA VERIFICATION (Item 16)

Geologica has collected and hand sampled 24 samples on chosen:

- 3 soil (B-Horizon) samples on line L-60 N of the Nkwanta concession;
- 5 soil (B-Horizon) samples on line L-88 N of the Ayiem concession;
- 5 soil (B-Horizon) samples on line L-104 N of the Ayiem concession;
- 3 auger soil samples on line 56 N of the Nkwanta concession;
- 8 rock samples on the Apankrah concession including 1 duplicate and 1 blank sample.

The samples were collected independently of Castle Peak Mining Limited, kept secured and transported to S.G.S Assay laboratory in Tarkwa, for fire assay using aliquot of 30g. For fire assay, all assays were finished by atomic absorption. Samples that returned greater than 1 g/t Au were re-assayed on a second duplicate from the initial reject crushed at 70% less than 2 mm, riffing out 250 g and pulverized to 85% less than 75 µm. Certificates are contained in Appendix III. One (1) duplicate and one (1) blank sample were also introduced within the 22 samples making a total of 24 samples.

Assay results for the independent samples are listed below compared with original assays obtained by Geologica and Castle Peak Mining Limited.

Sample No. 1095107 was taken as “duplicate” sample. Sample No 1095124 was taken as “blank” sample.

The results (24 samples collected by Geologica) confirm the presence of significant gold (Au) mineralization and corroborate with previous sampling realized by Castle Peak Mining Limited in 2008.

Project	Sample-type	Sample (Geologica)	Sample (Castle Peak or other)	Au-ppm (Geologica)	Au-ppm (CastlePeak or other)	Utm-East	Utm-North	Date
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Ayiem	Soil (B-Horizon)	1095120	AYM 88/5900	0.175	0.150	613112	556528	26-04-2010
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Nkwanta	Soil (B-Horizon)	1095122	NNT 60/2250	0.066	0.080	609221	554992	26-04-2010
Nkwanta	Soil (B-Horizon)	1095123	NNT 60/2300	0.730	0.140	609276	554997	26-04-2010
Blank	NA	1095124	NA	0.010	NA	Blank	Blank	27-04-2010

* Samples taken by Geologica are compared with samples collected by Castle Peak in the Apankrah mine site and around shown on Figure 4. Gold values obtained by Castle Peak are unavailable.

Geologica collected 24 samples (6 chip rock, 3 auger and 3 soil samples) on the Nkwanta property and 10 soil samples were collected on the Ayiem concession (Map No.2).

These samples were collected independently and under the supervision of one of the authors (Alain-Jean Beauregard) with the collaboration of Henry Sowah, v.p. exploration and five (5) technicians of Castle Peak.

15.0 ADJACENT PROPERTIES (Item 17)

Several exploration concessions and properties are contiguous north east west and south of Nkwanta and Ayiem concessions (Map No.1).

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING (Item 18)

No mineral processing and metallurgical testing were realized on the property.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE (Item 19)

No mineral resource and mineral reserve estimate were calculated on Nkwanta and Ayiem Concessions.

18.0 OTHER RELEVANT DATA AND INFORMATION (Item 20)

No historical environment liabilities were found to exist on subject concessions. In terms of permitting, Castle Peak will need to conform to requirements, laws and regulations applied in Ghana using the best work standards and practice generally used in the industry.

19.0 INTERPRETATION AND CONCLUSIONS (Item 21)

Castle Peak's objective in conducting its exploration activities, which results are the subject of this report, was to gain a greater understanding of the Nkwanta and

Ayiem concessions and to determine if further exploration is warranted. To that end, Castle Peak's exploration activities have achieved that objective.

- The concessions lie within the Birimian rocks of Ghana, which host significant gold deposits in Ghana and more significantly one of the targets for gold exploration are near the contacts between Birimian greenstones (metabasalts, etc.) and the granitoids.
- The soil survey generated several strong anomalies with N-S trend. The strike length of the Apankrah Main anomaly on the Nkwanta concession is about 3.4 km and the width about 0.40 km. Gold values range from less than 0.01 ppm to 7.07 ppm. The Apankrah West anomaly has a strike length of about 2.8 km and a width of about 0.30 km. Gold values range from less than 0.01 ppm to 0.58 ppm.
- In light of these observations and the results from the exploration work conducted over the years, two (2) types of mineralizations were recognized on Nkwanta & Ayiem Concessions:
 - o Vein-type vertical shear hosted and networks of quartz veins containing precious metals (Au, Ag).
 - o Gold sulphide disseminations, veins and veinlets network of auriferous quartz minerals associated with altered and fractured differentiated intrusions of felsic mafic composition in contact with volcanic and sedimentary rock units.
- It is recommended that further exploration works should continue. Auger sampling over the soil anomalies should continue on each concession. Drilling to know the extent of gold mineralization at the old Apankrah mine and N-S trend on each concession are also recommended.

The existing database needs to be preserved, re-evaluated and set-up in electronic format that can be queried and re-compiled to build an improved understanding of the geology of each concession. The authors recommend that Critical Capital and/or Castle Peak build a digital data file to hold all information for all possible drill holes, auger surveys, soil sampling surveys, mapping surveys on each concession and if possible all assay reports and certificates. Critical Capital and/or Castle Peak should undertake a more rigorous routine approach to sample assay quality assurance/quality control with more use of secondary laboratory check assaying, and to create a written sampling and assay reporting protocol so that reporting of assays is consistent. They should create and maintain an assay database independent of its

sampling logs in which is recorded all sample assays, duplicates and blanks, sample locations and certificate numbers.

20.0 RECOMMENDATIONS AND BUDGET FOR BOTH CONCESSIONS (NKWANTA AND AYIEM) (Item 22)

The authors recommend a two-phase exploration program be conducted on the Nkwanta and Ayiem concessions.

In Phase 1, a basic surface exploration program of US\$ 200,000 will consist of, topographic surveying, soil and/or alluvial geochemistry sampling and/or pitting and trenching; surface and geological reconnaissance and detail mapping of lithologic units, alterations, structures and mineralizations followed with outcrop and systematic underground workings sampling (channel); data digitization, integration and modelization followed by work report.

If the result of Phase 1 are positive, then it is recommended that the Company proceeds with a Phase 2A and 2B, complementary wells, trenching, other field investigations and diamond and RAB drilling (NQ-size) program on the best targets and mineralized extensions; a provision of 8,000 meters (4,000 metres on each concession). Data digitization, integration and modelization update and synthesis work report with compilation surface colour maps, sections, longitudinals, and figures. Phases 1, 2A and 2B of work recommendations are budgeted at \approx US \$3,242,300 and proposed in the here below listed steps and table:

PHASE 1: COMPLEMENTARY DETAILED AUGER AND SOIL GEOCHEMISTRY

Personnel

- 1 Senior geologist, 60 days @ \$300/day	18 000 \$
- 2 Field geologists, 60 days @ \$120/day	7 200 \$
- 2 Technicians, 60 days @ \$30/day/technician	3 600 \$
- 1 Foremans, 60 days @ \$25/day/foreman	1 500 \$
- 10 Unskilled labors, 60 days @ \$20/day/labor	<u>12 000 \$</u>
<u>Total Personnel:</u>	<u>42 300 \$</u>

Expenses

GEOLOGICA GROUPE-CONSEIL INC.

- Laboratory: 3,000 samples @ \$30.00 / sample	90 000 \$
- Equipment (sample bags, markers, staple machines and pins, flagging tapes, helmet, boots, first aid box)	10 000 \$
- Accommodation costs (food, consumables, provisions and toiletries)	10 000 \$
- Transport costs (car rental, driver's salary, fuel)	<u>20 000 \$</u>
Total Expenses:	130 000 \$
Sub-total Phase 1:	172 300 \$
Supervision and administration (~5%)	9 000 \$
Contingencies (10%)	18 700 \$
TOTAL PHASE 1:	<u>200 000 \$</u>

PHASE 2A: COMPLEMENTARY WELLS, TRENCHING AND OTHER FIELD INVESTIGATIONS (if warranted by Phase 1 result)

Personnel

- 1 Senior geologist, 120 days @ \$300/day	36 000 \$
- 2 Field geologists, 120 days @ \$120/day	28 800 \$
- 4 Technicians, 120 days @ \$30/day/technician	14 400 \$
- 2 Foremans, 120 days @ \$25/day/foreman	6 000 \$
- 20 Unskilled labors, 120 days @ \$20/day/labor	<u>48 000 \$</u>
Total Personnel:	133 200 \$

Expenses

- Laboratory: 10,000 samples @ \$30.00 / sample	300 000 \$
- Drilling: - 10 core holes of 100 meters @ \$120 / meter	120 000 \$
- 10 short holes of 100 meters @ \$120 / meter	120 000 \$
- 400 RC Holes of 50 meters @ \$35 / meter	700 000 \$
- Site access and mobilization	200 000 \$
- Equipment (sample bags, markers, staple machines and pins, flagging tapes, helmet, boots, first aid box)	4 000 \$
- Accomodation costs (food, consumables, provisions and toilettries)	50 000 \$
- Tranport costs (car rental, driver's salary, fuel)	<u>60 000 \$</u>
Total Expenses:	1 554 000 \$

Sub-total Phase 1:	1 957 200 \$
Supervision and administration (5%)	77 700 \$
Contingencies (10%)	163 100 \$
TOTAL PHASE 2A:	<u>1 794 800 \$</u>

PHASE 2B: REVERSE CIRCULATION AND/OR DIAMOND DRILLING (if warranted by Phase 2A results)

- Drilling of known showings 8 000 meters at 120\$/m (all inclusive)	960 000 \$
- Assaying 4 000 samples @ 30\$ each (including transport)	<u>120 000 \$</u>
Sub-total Phase 2B:	1 080 000 \$
Supervision and administration (5%)	54 000 \$
Contingencies (10%)	113 500 \$
TOTAL PHASE 2:	<u>1 247 500 \$</u>

GRAND TOTAL PHASES 1, 2A and 2B: **3 242 300 \$ ≈ 3.2M \$**

21.0 REFERENCES (Item 23)

Allibone, A. H., McCuaig, T. C., Harris, D., Etheridge, M., Munroe, S., Byrne, D., Amano, J. and Gyapong, W. 2002a. Structural controls on gold mineralisation at the Ashanti deposit, Obuasi, Ghana. Society of Economic Geologists. Special Publication 9. p.65 -93.

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Leube, A., Hirdes, W., Mauer, R. and Keese, G. O. 1990. The early Proterozoic Birimian Supergroup of Ghana and some aspects of its associated gold mineralisation. Precambrian Research. v.46. p .139-165.

Milesi, J.P., Ledru, P., Feybesse, J.L., Dommange, A., and Marcoux, E., 1992, Early Proterozoic ore deposits and tectonics of the Birimian orogenic belt, West Africa, Precambrian Research, v. 58, pp. 305-344.

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22.0 DATE AND SIGNATURE PAGE (Item 24)

**NI 43-101 TECHNICAL EVALUATION REPORT
ON NKWANTA AND AYIEM CONCESSIONS**

Prepared for

CRITICAL CAPITAL CORPORATION

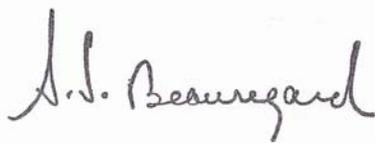
&

CASTLE PEAK MINING LTD.

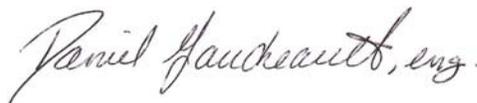
999 W. Hastings Street, Suite 1200

Vancouver, BC, V2C 2W2

Signed in Val-d'Or, June 25th, 2010



Alain-Jean Beaugard, P. Geol., OGQ, FGAC



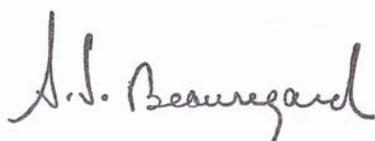
Daniel Gaudreault, P. Eng., OIQ, AEMQ

22.1 Certificate of Qualified Person (Alain-Jean Beaugard)

I, Alain-Jean Beaugard, P. Geol., do hereby certify that:

1. I am a geologist and the president of:
Geologica Groupe-Conseil Inc.
450, 3rd avenue, suite 203,
P.O. Box 1891, Val d'Or (Québec), J9P 6C5
2. I am a qualified geologist, having received my academic training at Concordia University, in Montreal, Quebec (B.Sc. Geology and Mining – 1978) with a certificate in Business Administration (Val d'Or – 1988).
3. I am a Fellow of the Geological Association of Canada #F 4951 (FGAC) and also a member of the Order of Geologists and Geophysicists of Quebec #227 (OGQ), of the Quebec Mining Exploration Association (AEMQ), of the Canadian Institute of Mining and Metallurgy (CIMM), of the Project Management Institute (PMI – Connecticut, U.S.A.) and the Prospectors and Developers Association of Canada (PDAC).
4. I have worked as a geologist for a total of 32 years since my graduation from university, including the organization and management of exploration campaigns for gold, base and industrial metals in eastern Canada, Africa and Latin America.
5. I have read the definition of “qualified person” set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a “qualified person” for the purposes of NI 43-101.
6. I am responsible for the technical parts of Items 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23 of the report titled “NI 43-101 Technical Evaluation Report on Nkwanta and Ayiem Concessions” and dated June 25th, 2010 (the “Technical Report”). I have recently visited these concessions between April 23rd and 27th 2010.
7. I am not aware of any material fact or material change with respect to the subject matter of the Executive Summary Report that is not reflected in the Technical Report, the omission to disclose which makes the Executive Summary Report misleading.
8. I have not had prior involvement with properties that are the subject of the Technical Report.
9. I am independent of the issuer (Critical Capital Corporation) and the vendor (Castle Peak Mining Ltd.) applying all of the tests in section 1.4 of National Instrument 43-101.
10. I read NI 43-101, related appendices and the 43-101 F1 form, and the technical report was prepared in compliance with NI 43-101.
11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report. I confirm to have read the disclosure 8.2 (b) of the NI 43-101.
12. As of the date hereof, to my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to prevent the Technical Report from being misleading.

Dated this 25th day of June 2010.



Alain-Jean Beaugard, P. Geol., FGAC, OGQ

22.2 Certificate of Qualified Person (Daniel Gaudreault)

I, Daniel Gaudreault, P. Eng., do hereby certify that:

1. I am currently employed as a geological engineer by:
Geologica Groupe-Conseil Inc.
450, 3rd avenue, suite 203,
P.O. Box 1891, Val d'Or (Québec), J9P 6C5
2. I graduated with a degree in Geological Engineering from the University of Quebec at Chicoutimi in 1983.
3. I am a member of the "Ordre des ingénieurs du Québec #39834 (OIQ)", of the Quebec Mining Exploration Association (AEMQ) and the Prospectors and Developers Association of Canada (PDAC).
4. I have worked as a geologist for a total of 27 years since my graduation from university, including several exploration projects for gold, base and industrial metals in remote areas of Quebec.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I am responsible for the technical parts of Items 1, 2, 3, 4, 5, 6, 7, 8, 15, 16, 17, 18, 19, 20, 21, 22, and 23 of the report titled "NI 43-101 Technical Evaluation Report on Nkwanta and Ayiem Concessions" and dated June 25th, 2010 (the "Technical Report"). I have not visited these concessions.
7. I am not aware of any material fact or material change with respect to the subject matter of the Executive Summary Report that is not reflected in the Technical Report, the omission to disclose which makes the Executive Summary Report misleading.
8. I have not had prior involvement with properties that are the subject of the Technical Report.
9. I am independent of the issuer (Critical Capital Corporation) and the vendor (Castle Peak Mining Ltd.) applying all of the tests in section 1.4 of National Instrument 43-101.
10. I read 43-101, related appendices and the 43-101 F1 form, and the technical report was prepared in compliance with NI 43-101.
11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report. I confirm to have read the disclosure 8.2 (b) of the NI 43-101.
12. As of the date hereof, to my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to prevent the Technical Report from being misleading.

Dated this 25th day of June 2010



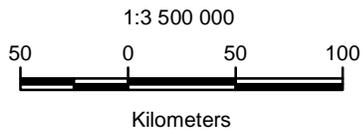
Daniel Gaudreault, P. Eng, OIQ, AEMQ

23.0 ADDITIONAL REQUIREMENTS FOR TECHNICAL REPORTS ON DEVELOPMENT PROPERTY AND PRODUCTION PROPERTY (Item 25)

In the case of the Nkwanta and Ayiem Concessions, this Item does not apply



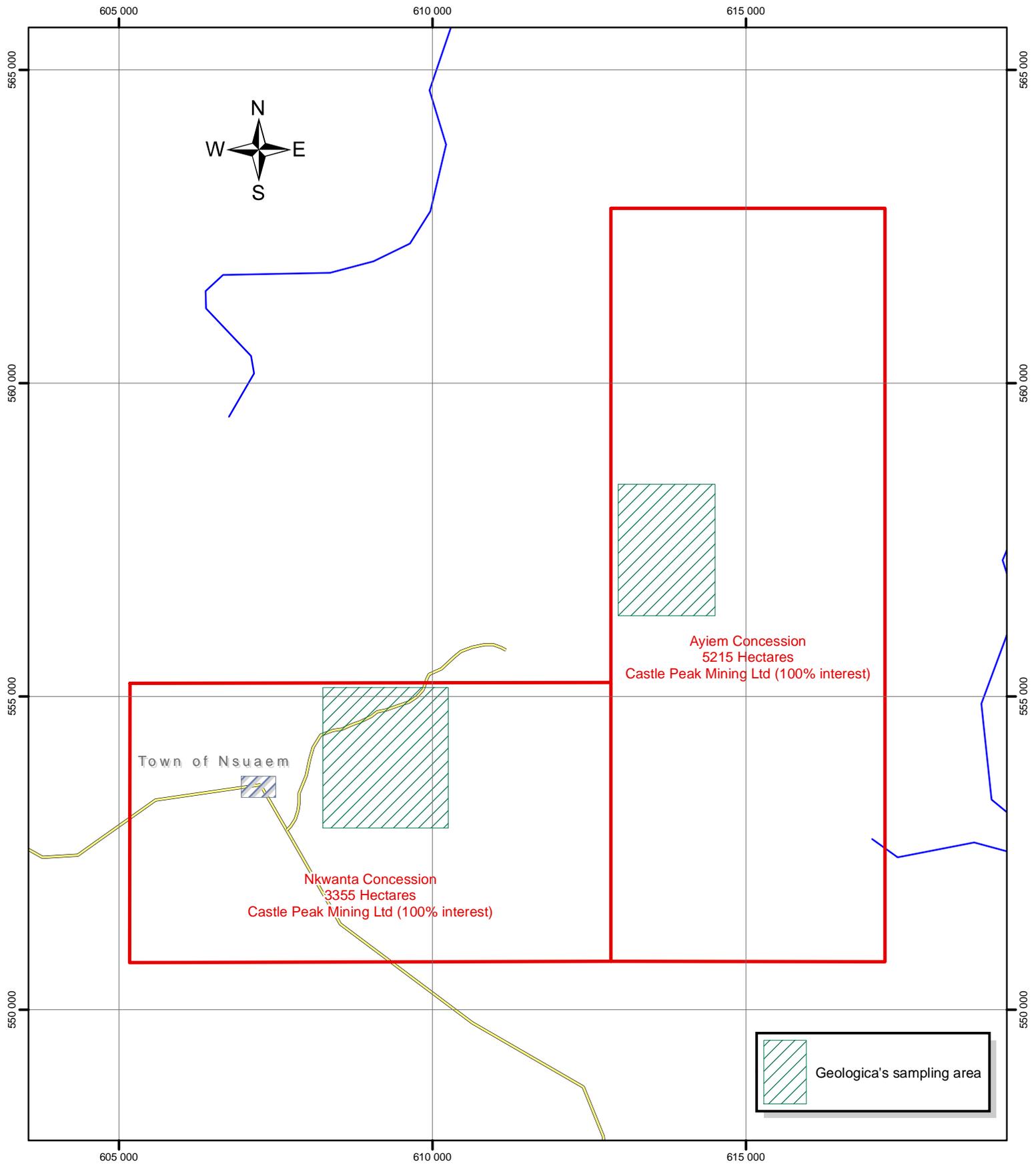
GEOLOGICA INC.



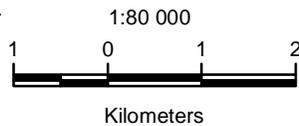
Critical Capital Corporation
Nkwanta & Ayiem Concessions
- General Location Map of Ghana -

Figure 1

ETRF 1989 UTM ZONE 30N



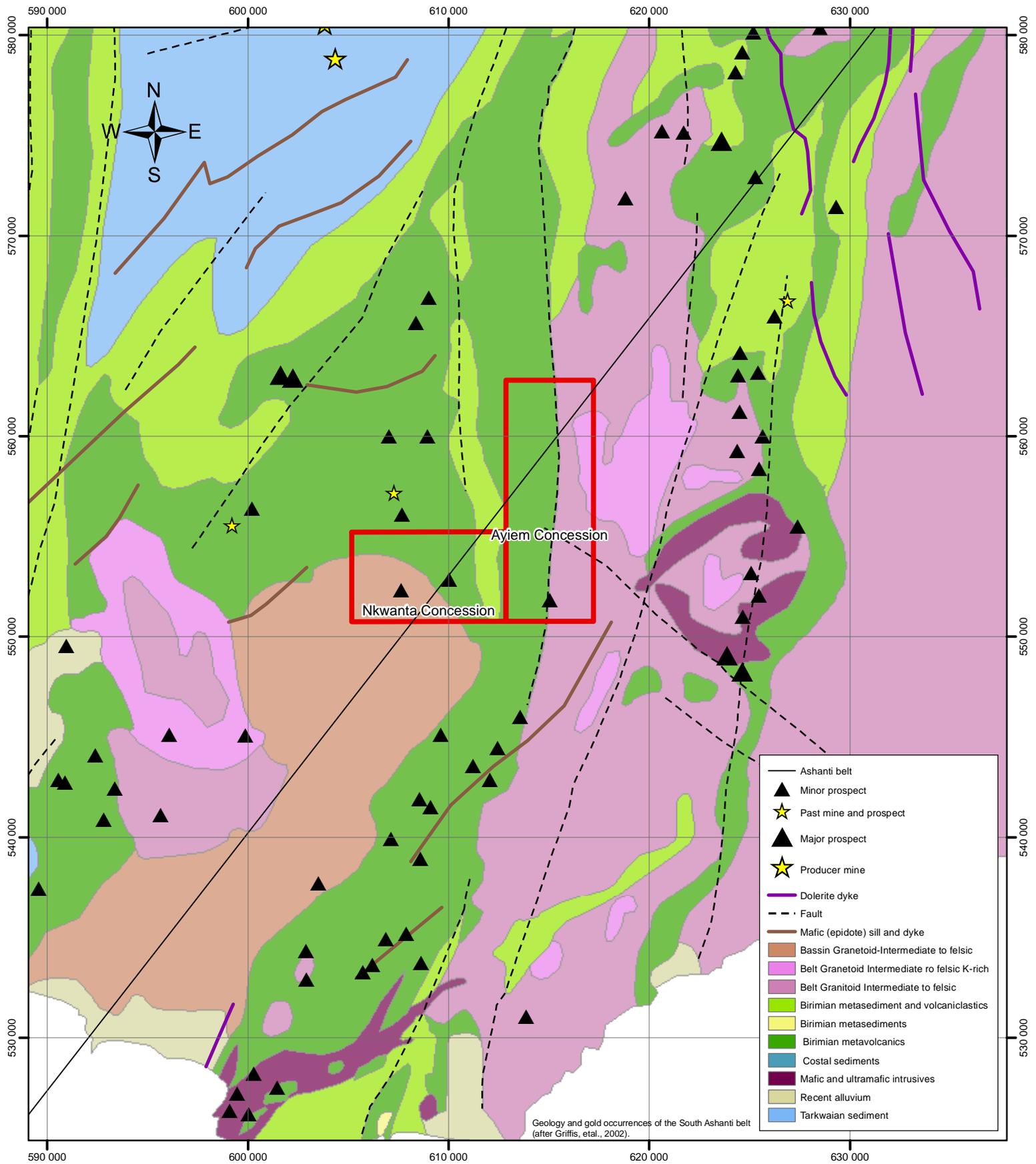
GEOLOGICA INC.



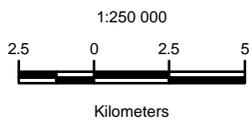
Critical Capital Corporation
Nkwanta & Ayiem Concessions
- Nkwanta & Ayiem Concessions Map -

Figure 2

ETRF 1989 UTM ZONE 30N

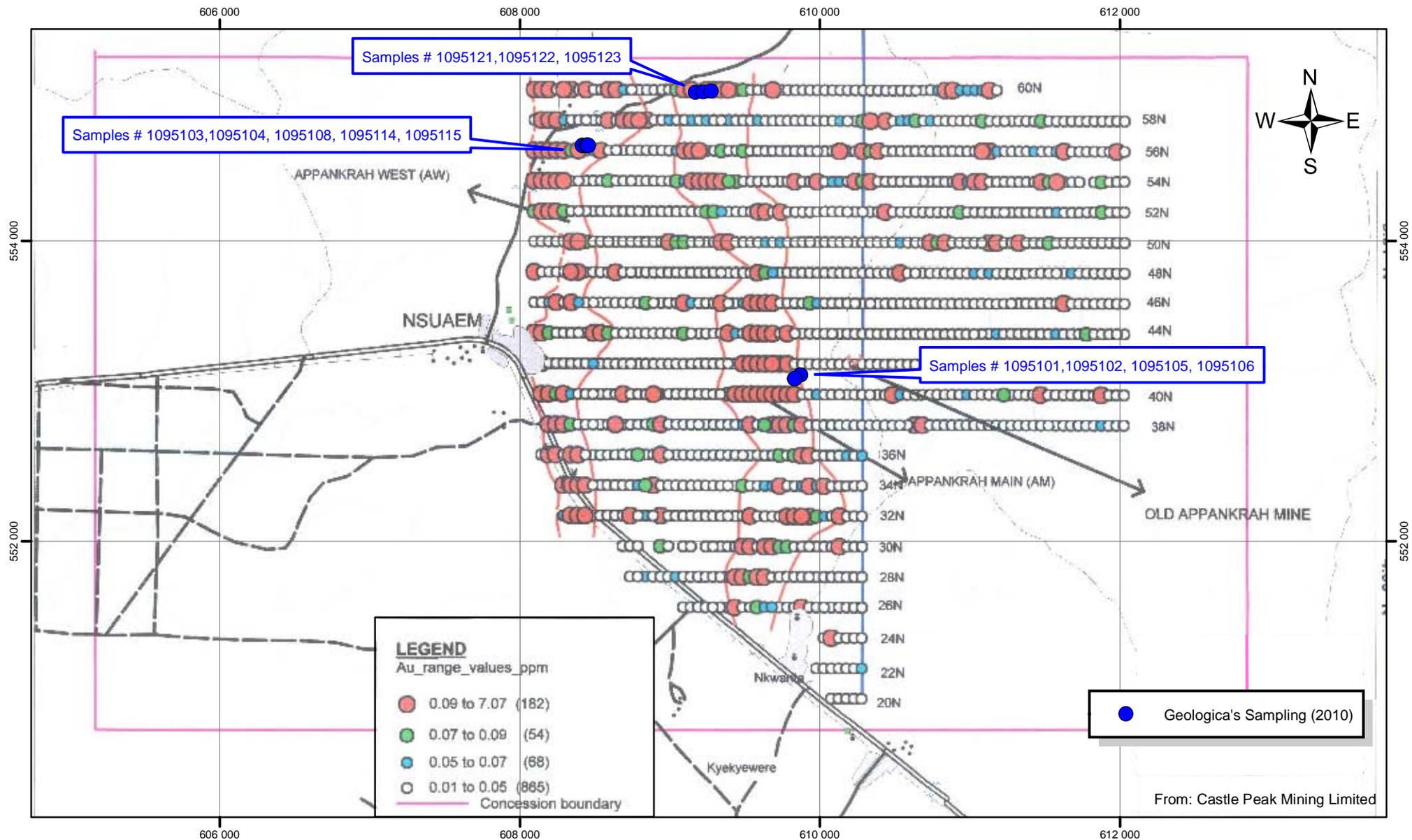


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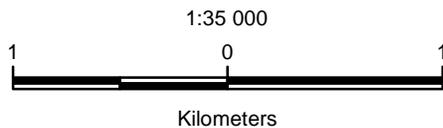


Critical Capital Corporation
Nkwanta & Ayiem Concessions
- Nkwanta & Ayiem Local Geology Map - Figure 3

ETRF 1989 UTM ZONE 30N



GEOLOGICA INC.

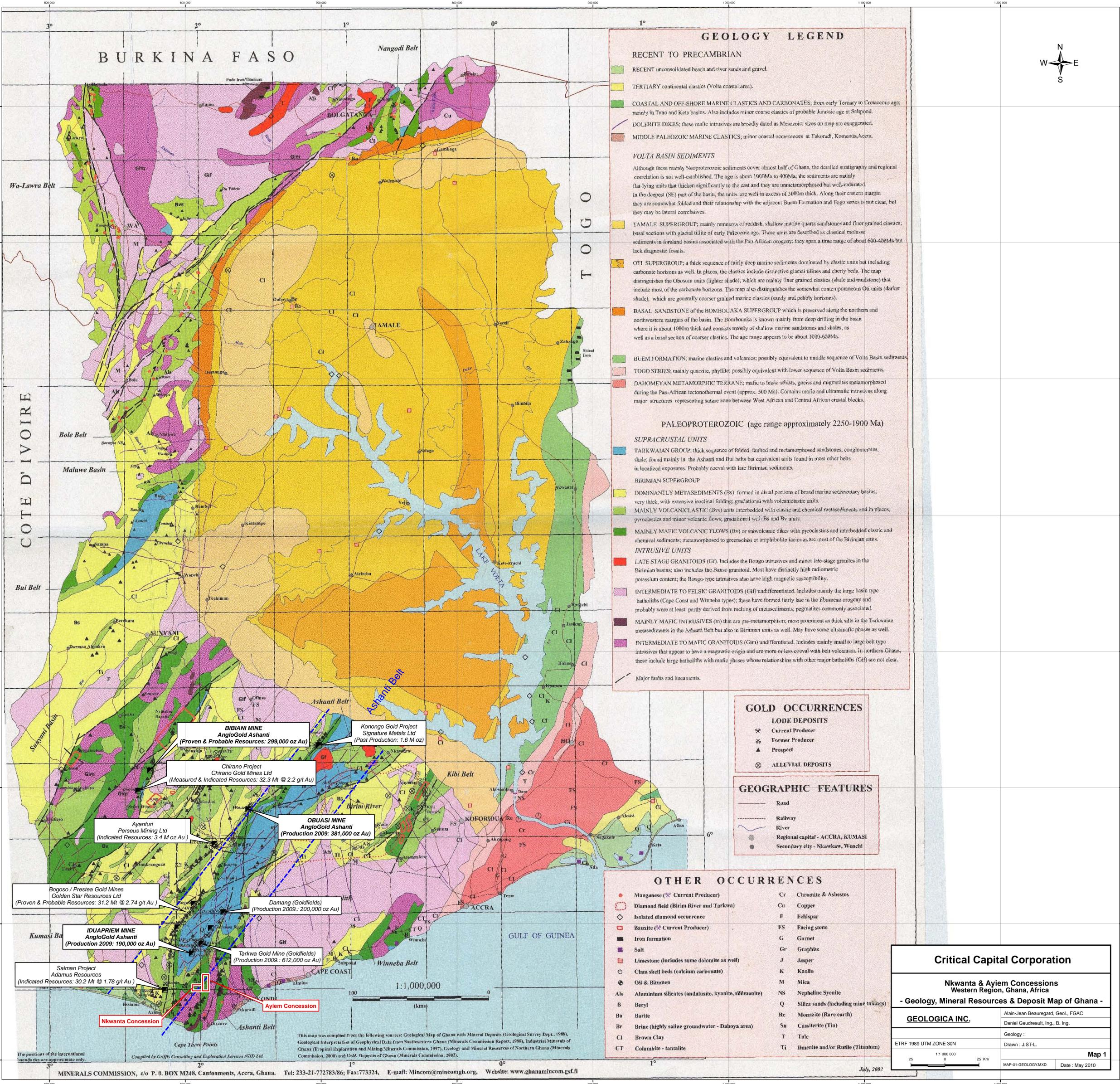


ETRF 1989 UTM ZONE 30N

Critical Capital Corporation
Nkwanta Concession
- Geochemical Soil Plots (2008) -

Figure 4

From: Castle Peak Mining Limited



GEOLOGY LEGEND

- RECENT TO PRECAMBRIAN**
- RECENT unconsolidated beach and river sands and gravel.
 - TERTIARY continental clastics (Volta coastal area).
 - COASTAL AND OFF-SHORE MARINE CLASTICS AND CARBONATES; from early Tertiary to Cretaceous age; mainly in Tano and Keta basins. Also includes minor coarse clastics of probable Jurassic age at Saltpond.
 - DOLERITE DIKES; these mafic intrusives are broadly dated as Mesozoic; sizes on map are exaggerated.
 - MIDDLE PALZOZOIC MARINE CLASTICS; minor coastal occurrences at Takoradi, Komenda, Accra.
- VOLTA BASIN SEDIMENTS**
- Although these mainly Neoproterozoic sediments cover almost half of Ghana, the detailed stratigraphy and regional correlation is not well-established. The age is about 1000Ma to 400Ma; the sediments are mainly flat-lying units that thicken significantly to the east and they are unmetamorphosed but well-sorted. In the deepest (SE) part of the basin, the units are well in excess of 3000m thick. Along their eastern margin they are somewhat folded and their relationship with the adjacent Buem Formation and Togo series is not clear, but they may be lateral conglauves.
- TAMALE SUPERGROUP; mainly remnants of reddish, shallow marine quartz sandstones and finer grained clastics; basal sections with glacial tillite of early Palaeozoic age. These units are described as classical molasse sediments in foreland basins associated with the Pan African orogeny; they span a time range of about 600-400Ma but lack diagnostic fossils.
 - OTI SUPERGROUP; a thick sequence of fairly deep marine sediments dominated by elastic units but including carbonate horizons as well. In places, the clastics include distinctive glacial tillites and cherty beds. The map distinguishes the Obosum units (lighter shade), which are mainly finer grained clastics (shale and mudstone) that include most of the carbonate horizons. The map also distinguishes the somewhat contemporaneous Oti units (darker shade), which are generally coarser grained marine clastics (sandy and pebbly horizons).
 - BASAL SANDSTONE of the BOMBOUAKA SUPERGROUP which is preserved along the northern and northwestern margins of the basin. The Bomboouaka is known mainly from deep drilling in the basin where it is about 1000m thick and consists mainly of shallow marine sandstones and shales, as well as a basal section of coarser clastics. The age range appears to be about 1000-600Ma.
 - BUEM FORMATION; marine clastics and volcanics; possibly equivalent to middle sequence of Volta Basin sediments.
 - TOGO SERIES; mainly quartzite, phyllite; possibly equivalent with lower sequence of Volta Basin sediments.
 - DAHOMEAN METAMORPHIC TERRANE; mafic to felsic schists, gneiss and migmatites metamorphosed during the Pan-African tectonothermal event (approx. 500 Ma). Contains mafic and ultramafic intrusives along major structures representing suture zone between West African and Central African crustal blocks.
- PALEOPROTEROZOIC (age range approximately 2250-1900 Ma)**
- SUPRACRUSTAL UNITS**
- TARKWAIAN GROUP; thick sequence of folded, faulted and metamorphosed sandstones, conglomerates, shale; found mainly in the Ashanti and Bui belts but equivalent units found in most other belts in localized exposures. Probably coeval with late Birmanian sediments.
- BIRIMIAN SUPERGROUP**
- DOMINANTLY METASEDIMENTS (Bs) formed in distal portions of broad marine sedimentary basins; very thick, with extensive isoclinal folding, glacialtonal and volcanoclastic units.
 - MAINLY VOLCANICLASTIC (Bvs) units interbedded with elastic and chemical metasediments and in places, pyroclastics and minor volcanic flows; gradational with Bs and Bv units.
 - MAINLY MAFIC VOLCANIC FLOWS (Bv) or subvolcanic dikes with pyroclastics and interbedded elastic and chemical sediments; metamorphosed to greenschist or amphibolite facies as are most of the Birmanian units.
- INTRUSIVE UNITS**
- LATE STAGE GRANITOIDS (Gf) Includes the Bongo intrusives and minor late-stage granites in the Birmanian basins; also includes the Bansa granitoid. Most have distinctly high radiometric potassium content; the Bongo-type intrusives also have high magnetic susceptibility.
 - INTERMEDIATE TO FELSIC GRANITOIDS (Gif) undifferentiated. Includes mainly the large basin type batholiths (Cape Coast and Winneba types); these have formed fairly late in the Pbmanean orogeny and probably were at least partly derived from melting of metasediments; pegmatites commonly associated.
 - MAINLY MAFIC INTRUSIVES (m) that are pre-metamorphism, most prominent as thick sills in the Tarkwaian metasediments in the Ashanti Belt but also in Birmanian units as well. May have some ultramafic phases as well.
 - INTERMEDIATE TO MAFIC GRANITOIDS (Gim) undifferentiated. Includes mainly small to large belt type intrusives that appear to have a magmatic origin and are more or less coeval with belt volcanism. In northern Ghana, these include large batholiths with mafic phases whose relationships with other major batholiths (Gif) are not clear.
- Major faults and lineaments.

GOLD OCCURRENCES

- LODE DEPOSITS**
- Current Producer
 - Former Producer
 - Prospect
- ALLUVIAL DEPOSITS**

GEOGRAPHIC FEATURES

- Road
- Railway
- River
- Regional capital - ACCRA, KUMASI
- Secondary city - Nkwakaw, Wenchi

OTHER OCCURRENCES

- Manganese (Current Producer)
- Diamond field (Birim River and Tarkwa)
- Isolated diamond occurrence
- Bauxite (Current Producer)
- Iron formation
- Salt
- Limestone (includes some dolomite as well)
- Clam shell beds (calcium carbonate)
- Oil & Bitumen
- Aluminium silicates (andalusite, kyanite, sillimanite)
- Beryl
- Barite
- Brine (highly saline groundwater - Daboya area)
- Brown Clay
- Columbite - tantalite
- Chromite & Asbestos
- Copper
- Feldspar
- Facing stone
- Garnet
- Graphite
- Jasper
- Kaolin
- Mica
- Nepheline Syenite
- Silica sands (including mine tailings)
- Monazite (Rare earth)
- Cassiterite (Tin)
- Talc
- Ilmenite and/or Rutile (Titanium)

BIBIANI MINE
AngloGold Ashanti
(Proven & Probable Resources: 299,000 oz Au)

Konongo Gold Project
Signature Metals Ltd
(Past Production: 1.6 Mt)

Chirano Project
Chirano Gold Mines Ltd
(Measured & Indicated Resources: 32.3 Mt @ 2.2 g/t Au)

Ayanfuri
Perseus Mining Ltd
(Indicated Resources: 3.4 Mt @ 1.7 g/t Au)

OBUASI MINE
AngloGold Ashanti
(Production 2009: 381,000 oz Au)

Damang (Goldfields)
(Production 2009: 200,000 oz Au)

Tarkwa Gold Mine (Goldfields)
(Production 2009: 612,000 oz Au)

IDUAPRIEM MINE
AngloGold Ashanti
(Production 2009: 190,000 oz Au)

Salman Project
Adamus Resources
(Indicated Resources: 30.2 Mt @ 1.78 g/t Au)

Nkwanta Concession

Ayem Concession

Critical Capital Corporation

Nkwanta & Ayem Concessions
Western Region, Ghana, Africa

- Geology, Mineral Resources & Deposit Map of Ghana -

GEOLOGICA INC.

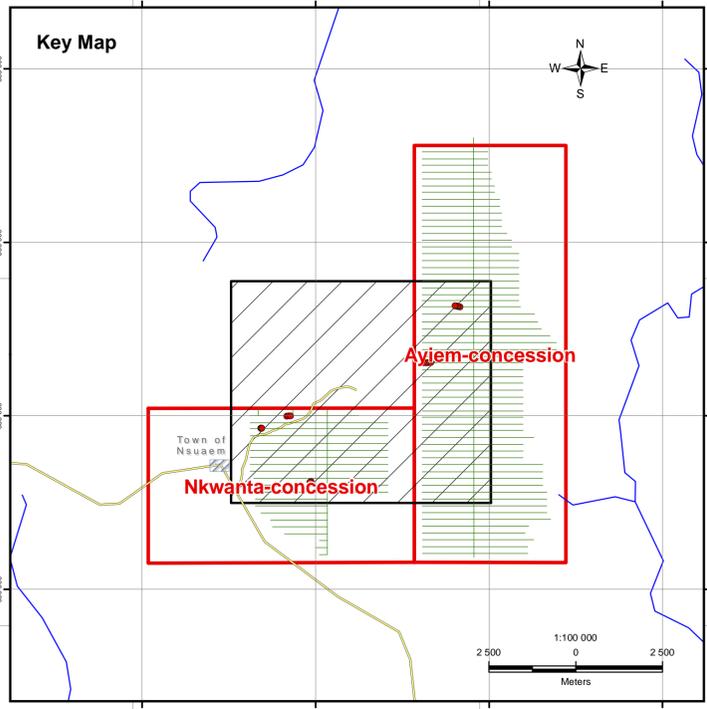
Alain-Jean Beauregard, Geol., FGAC
Daniel Gaudreault, Ing., B. Ing.

Geology: JST-L

ETRF 1989 UTM ZONE 30N
1:1,000,000
25 0 25 Km

MAP-01-GEOLOGY.MXD Date: May 2010

Map 1



Sample # 1095113 (0.011 Au ppm)
 Sample # 1095111 (0.047 Au ppm)
 Sample # 1095109 (.034 Au ppm)
 Sample # 1095112 (0.076 Au ppm)
 Sample # 1095110 (0.062 Au ppm)

Sample # 1095119 (0.289 Au ppm)
 Sample # 1095117 (0.054 Au ppm)
 Sample # 1095118 (0.288 Au ppm)
 Sample # 1095116 (0.029 Au ppm)
 Sample # 1095120 (0.175 Au ppm)

Ayiem-concession

Sample # 1095121 (0.005 Au ppm)
 Sample # 1095123 (0.730 Au ppm)
 Sample # 1095122 (0.066 Au ppm)

Sample # 1095103 (0.140 Au ppm)
 Sample # 1095104 (0.070 Au ppm)
 Sample # 1095108 (0.340 Au ppm)
 Sample # 1095114 (0.680 Au ppm)
 Sample # 1095115 (0.050 Au ppm)

Nkwanta-concession

Sample # 1095105 (1.720 Au ppm)
 Sample # 1095106 (0.180 Au ppm)
 Sample # 1095101 (0.070 Au ppm)
 Sample # 1095102 (24.600 Au ppm)
 Former Apankrah Mine

Critical Capital Corporation	
Nkwanta & Ayiem Concessions Western Region, Ghana, Africa - Geologica's Sampling Location -	
GEOLOGICA INC.	Alain-Jean Beauregard, Geol., FGAC Daniel Gaudreault, Ing., B. Ing.
ETRF 1989 UTM ZONE 30N	Geology : Drawn : J.ST-L.
	Map 2
MAP-02-SAMPLES.MXD	Date : May 2010

APPENDIX I
Agreement letter between Critical Capital Corporation & Castle Peak Mining Ltd.

Date: March 17, 2010

From: Critical Capital Corporation
c/o Suite 1200 - 999 West Hastings Street
Vancouver, BC V6C 2W2

To: Castle Peak Mining Ltd.
c/o Suite 1601 - 700 West Pender Street
Vancouver, BC V6C 1G8

Attention: Jeffrey Shammah

Re: Business Combination involving Critical Capital Corporation ("Critical") and
Castle Peak Mining Ltd. ("CP")

This letter ("Letter of Intent") sets forth the principal terms and conditions upon which Critical and CP will combine their business operations (the "Transaction") whether by way of share exchange agreement, amalgamation, merger, take-over bid, plan of arrangement or other similar transaction. Critical and CP are herein referred to as the "Parties", and individually as a "Party".

Upon execution of this Letter of Intent, the Parties shall instruct legal counsel to prepare a Definitive Agreement (as hereinafter defined) which upon execution shall replace and supersede this Letter of Intent. Until such execution, this Letter of Intent shall continue in full force and effect unless otherwise terminated under the terms hereof.

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. About Critical

1.1 Management. The directors and officers of Critical as of the date of this LOI are:

- (a) Directors: Luis Goyzueta, Brian Lock and David Smalley; and
- (b) Officers: Brian Lock is CEO, President, CFO and Secretary.

1.2 Share Capital. Critical has a share capital as described in Schedule "B".

2. About CP

2.1 Management. The directors and officers of CP as of the date of this LOI are:

- (a) Directors: Shimon Elbaz, Randal Gindi, Peter Hawley, Jeff Shammah and Carl Swensson; and
- (b) Officers: Peter Hawley is CEO and President; and Donald Gee is CFO.

2.2 Share Capital. CP has a share capital as described in Schedule "B". CP may issue additional shares prior to Closing.

2.3 The Properties. CP, through its wholly owned subsidiaries, has interests in seven exploration properties in southwest Ghana, as described in Schedule "A".

2.4 CP's Subsidiaries. CP has seven subsidiaries, six of which are 100% wholly owned: Canterbury Mining Company, Windsor Mining Company, Oxford Mining Company Limited, Thames Mining

Company, Great Yorkshire Mining Company Limited and Kensington Mining Company Limited. CP owns 99.98% of the shares of POW International Limited.

2.5 Major Shareholders. The major shareholders of CP as of the date of this LOI are:

- (a) Randal Gindi owns 9,056,000 CP Shares, representing approximately 33.6% of the outstanding shares;
- (b) Jeffrey Shammah owns 6,430,000 CP Shares, representing approximately 23.9% of the outstanding shares; and
- (c) Shimon Elbaz, owns 2,370,000 CP shares, representing approximately 8.8% of the outstanding shares.

3. The Transaction

3.1 Transaction. The Parties agree to enter into the Transaction which will result in CP being a wholly owned subsidiary of Critical or otherwise combining its corporate existence with that of Critical. It is currently anticipated that the Transaction will be by way of a share exchange agreement between Critical, CP and shareholders of CP as of Closing (the "Shareholders"), whereby: (i) the holders of CP Shares will receive Critical Shares in exchange for their CP Shares pursuant to the Exchange Ratio; and (ii) CP will become a wholly-owned subsidiary of Critical. However, the Parties agree that the final structure of the business combination is subject to receipt of final tax, corporate and securities law advice for both Critical and CP.

3.2 Exchange Ratio. The Parties agree that Critical will issue an aggregate of 18,000,000 Critical Shares to the Shareholders, to be divided pro rata among the Shareholders, such exchange ratio is herein referred to as the "Exchange Ratio".

3.3 Initial \$25,000 Loan to CP. Within seven business days from the date this Letter of Intent is accepted by CP, Critical will loan to CP the sum of \$25,000 (the "\$25,000 Loan") to be spent according to subsection 3.5. Prior to granting the \$25,000 Loan, CP will issue to Critical a promissory note in a principal amount of \$25,000, such loan will not accrue interest and is repayable pursuant to subsection 3.6. CP will provide Critical with wiring instructions for the transfer of the \$25,000.

3.4 Monthly Loans of \$15,000 to CP. Critical will loan to CP the sum of \$15,000 every month up to a maximum of \$60,000 (the "Monthly Loans") to be spent according to subsection 3.5. The first Monthly Loan will be advanced by Critical on the 15th day of April, 2010, subject to Critical's receipt of conditional approval from the Exchange to advance the Monthly Loans. If Critical has not received conditional approval from the Exchange by April 15, 2010, Critical will not be obligated to loan the first \$15,000 to CP. If Critical does not advance the first \$15,000 to CP by April 15, 2010, then the aggregate amount of Monthly Loans that Critical will loan to CP will be \$45,000. Subsequent Monthly Loans will be advanced on May 1, 2010, June 1, 2010 and July 1, 2010, subject to conditional approval from the Exchange to advance the Monthly Loans. Prior to granting each Monthly Loan, CP will issue to Critical a promissory note in the principal amount of \$15,000, such loans will not accrue interest and are repayable pursuant to subsection 3.6. CP will provide Critical with wiring instructions for each transfer of the \$15,000.

3.5 Use of Loan Proceeds.

- (a) CP will spend the proceeds of the \$25,000 Loan as follows:
 - (i) \$10,000 will be transferred to Geologica Group Conseil of Quebec ("GGCQ") to prepare a technical report on the Properties that is compliant with NI 43-101; and

- (ii) the remaining \$15,000 will be spent on expenditures as approved in writing by Peter Hawley by fax transmission or email transmission.
 - (b) CP will spend the proceeds of the Monthly Loans only on expenditures as approved in writing by Peter Hawley by fax transmission or email transmission.
 - (c) Peter Hawley will provide Critical with monthly reports on CP's expenditures, accounts receivables and payables, and cash flows.
- 3.6 Repayment of Loans. The \$25,000 Loan and the Monthly Loans are repayable on the occurrence of either of the following events:
- (a) upon closing of the Transaction; or
 - (b) the date the LOI or the Definitive Agreement, if one is entered into, is terminated.
- 3.7 Directors of Resulting Company. Effective at the Closing, the board of directors of Critical shall be restructured, through resignations and appointments, so that it shall consist of not less than three directors consisting of Randal Gindi, Peter Hawley and Brian Lock. At the next shareholders meeting following the Closing of the Transaction, management will nominate for election as directors Randal Gindi, Peter Hawley, Brian Lock, two nominees of Peter Hawley and Brian Lock, and one of either Shimon Elbaz or Jeffrey Shammah.
- 3.8 Definitive Agreement. The Parties agree to use their commercially reasonable efforts to enter into a Definitive Agreement on or before Closing, and prepare all necessary documentation and apply for and obtain Exchange approval of the Transaction and all other consents, orders or approvals as counsel may advise are necessary or desirable for the implementation of the Transaction.

4. **Conditions Precedent**

- 4.1 Critical Requirements. CP acknowledges that the Transaction is subject to the satisfaction, on or before the Closing Date, of a number of conditions, including but not limited to the following. any of which may be waived by the mutual consent of such Parties without prejudice to their rights to rely on any other or others of such conditions:
- (a) *Exchange acceptance of Qualifying Transaction.* The Exchange will have accepted the Transaction as a Qualifying Transaction of Critical in accordance with the rules and policies of the Exchange.
 - (b) *43-101 Report.* CP will have delivered a Technical Report in compliant with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) on the Properties if material.
 - (c) *Title opinion.* CP will have delivered a title opinion on the Properties, if required by the Exchange.
 - (d) *Opinion on CP subsidiaries.* CP will have delivered a corporate opinion on the corporate status and shareholdings on all of CP's subsidiaries.
 - (e) *Filing Statement or Information Circular.* The Exchange will have accepted the filing of a filing statement or information circular in compliant with the Exchange's Form 3B1 and 3B2, which describes the Transaction and the resulting company after completion of the Transaction.

- (f) *Financial Statements.* CP will have prepared the CP Financial Statements and Pro Forma Financial Statements which will comply with the requirements of the Exchange and applicable securities laws.
- (g) *Sponsor.* A securities dealer will have consented to act as sponsor in connection with the Qualifying Transaction or the Exchange has waived the requirement for a sponsor.
- (h) *Shareholders approval.* Critical shareholders approval, if required, of the Transaction, and the appointment of directors.
- (i) *Minimum Listing Requirements.* Upon Completion of QT, the Resulting Company will have met the applicable minimum listing requirements of the Exchange as a Tier 1 or Tier 2 issuer under the rules and policies of the Exchange.
- (j) *Escrow Requirements.* The Critical Shares to be issued to the Shareholders pursuant to the Transaction will be subject to resale restrictions under applicable securities laws and the rules and policies of the Exchange and may also be subject to escrow requirements or other resale restrictions under the rules and policies of the Exchange.
- (k) *Concurrent Financing.* Completion of the Private Placement by Critical to raise aggregate gross proceeds of a minimum of \$2,500,000 to a maximum of \$4,000,000, at the highest price that the market will bear, provided such price will not be less than \$0.25 per share.
- (l) *CP's Liabilities.* CP shall not have incurred any liabilities other than those reasonably incurred in connection with the transactions contemplated in this Letter of Intent and shall have spent its cash on hand at the date of this Letter of Intent and any future cash it may receive exclusively (i) in preparation of the Technical Report in respect of the Properties, (ii) in the ordinary course of business, and (iii) for the purpose of completing the Transaction, all as approved by Peter Hawley.
- (m) *CP's Outstanding Debt on Closing.* CP will use its best efforts to settle as much debt as it can prior to the Closing, but in no event will the debt exceed \$50,000.
- (n) *CP Auditors Review.* CP's auditors shall have completed all necessary audits and reviews of the CP Financial Statements and audits or reviews of any subsequent period required by regulatory authorities and such statements showing no material adverse matters.

The conditions precedent set forth above are for the exclusive benefit of Critical and may be waived by it in whole or in part on or before Closing.

4.2 CP Requirements. Critical acknowledges that the Transaction is subject to the satisfaction, on or before the Closing Date, of a number of conditions, including but not limited to the following, any of which may be waived by the mutual consent of such Parties without prejudice to their rights to rely on any other or others of such conditions:

- (a) *Filings with the Exchange.* CP has had a reasonable opportunity to approve of all documentation in connection with the filings with the Exchange for acceptance of this Transaction as the Qualifying Transaction of Critical contemplated herein.
- (b) *Critical's Liabilities.* Critical shall not have incurred any liabilities other than those reasonably incurred in connection with the transactions contemplated in this Letter of Intent and shall have spent its cash on hand at the date of this Letter of Intent exclusively

(i) in the ordinary course of business, and (ii) for the purpose of completing the Transaction.

- (c) *Critical Auditors Review.* Critical's auditors having completed all necessary audits and reviews of the Critical Financial Statements and audits or reviews of any subsequent period required by regulatory authorities and such statements showing no material adverse matters.

The conditions precedent set forth above are for the exclusive benefit of CP and may be waived by it in whole or in part on or before Closing.

4.3 Mutual Requirements. The Transaction will be subject to a number of additional conditions applicable to both Parties, including but not limited to the following:

- (a) *Board approvals.* The Transaction steps and structure are subject to the approval of the Parties' respective boards. The consummation of the Transaction will be subject to and contingent upon making or obtaining all necessary third-party filings and approvals (including board approvals and any required shareholder approval).
- (b) *Third parties approvals.* The Parties covenant to use their reasonable best efforts to make and obtain all necessary third party filings and approvals in connection with the Transaction, including any and all required board of director and shareholder approvals pertaining to the Transaction.
- (c) *Due Diligence.* The Transaction is subject to satisfactory due diligence review by both Parties.
- (d) *Expenses.* The Parties agree that each Party shall be responsible for and pay for its own expenses including but not limited to legal and accounting fees, regardless of whether or not the contemplated transaction is consummated.

5. Due Diligence

5.1 Critical and CP agree that:

- (a) within 20 business days from the date of execution of this Letter of Intent, Critical will provide a complete, final and commercially reasonable request for due diligence materials, including a request for financial statements. CP shall use commercial reasonable best efforts to provide to Critical the requested due diligence materials within ten days of receipt of the request for such due diligence materials or as soon as practicable thereafter (or in the case of the CP Financial Statements and the Technical Report as soon as they are available);
- (b) CP will fully cooperate with Critical in complying with the reasonable requirements of Critical, and with any auditor or advisor of Critical;
- (c) CP agrees that Critical may have unfettered access to all of CP's information on its Properties, corporate records and bank and accounting records for the purpose of Critical conducting its due diligence. Further, Critical may disclose any and all information on CP to third party brokerage and securities firms without obtaining the prior consent of CP;
- (d) Critical shall have the Due Diligence Period to determine, acting reasonably, whether its review has uncovered materially adverse information which makes it commercially unfeasible to complete the Transaction as originally contemplated by the Parties, at which time Critical will advise CP in writing whether, acting reasonably, it intends to

terminate the Transaction on the basis of such information and if so, this Letter of Intent shall terminate and be of no further force and effect; and

- (e) Critical and CP agree to keep all information and documents provided or otherwise acquired pursuant to this section 5 confidential, except to the extent required to be disclosed by law or Exchange rules.

6. Standstill

- 6.1 From the date of execution of this Letter of Intent until completion of the transactions contemplated herein or the earlier termination hereof, the Parties will not, directly or indirectly, solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with or provide information relating to the securities, business, operations, affairs or financial condition of Critical or CP to any persons, entity or group in connection with the acquisition or distribution of any securities of Critical or CP, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, or sale of any material assets or part thereof, unless such action, matter or transaction is part of the transactions contemplated in this Letter of Intent or is satisfactory to, and is approved in writing in advance by the other Party hereto (with such approval not being unreasonably withheld or delayed) or is necessary to carry on the normal course of business.

7. Ordinary Course

- 7.1 Until the Closing of the Transaction, no Party shall, without the prior written consent of the other Party, such consent not to be unreasonably withheld, enter into any contract in respect of its business or assets, other than in the ordinary course of business, or as otherwise contemplated by this Letter of Intent and each Party shall continue to carry on its business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Transaction and, without limitation, but subject to the above exceptions, shall maintain payables and other liabilities at levels consistent with past practice, shall not engage or commit to engage in any extraordinary material transactions and shall not make or commit to make distributions, dividends or special bonuses, shall not repay or commit to repay any shareholders' loans, or enter into or renegotiate or commit to enter into or renegotiate any employment, management or consulting agreement with any senior officer, in each case without the prior written consent of the other.

8. Independent Professional Advice

- 8.1 Independent Advice. CP acknowledges that this Agreement was prepared by Fraser and Company LLP, counsel for Critical, and acknowledges and agrees that Critical urges CP and CP has had the opportunity to obtain independent legal, accounting, investment and tax advice prior to the execution and delivery of this Letter of Intent and the Definitive Agreement, and in the event that CP did not avail itself of that opportunity prior to signing this Letter of Intent and the Definitive Agreement, CP did so voluntarily and without any undue pressure or influence and agrees that any failure to obtain independent legal, accounting, investment or tax advice shall not be used as a defence to the enforcement of CP's obligations under this Letter of Intent. Critical and CP acknowledge that Fraser and Company LLP has represented both parties from time to time on other legal issues, but in the event of a dispute between Critical and CP, Fraser and Company LLP will not represent either party.
- 8.2 Expenses. Each of Critical and CP agree that, whether or not the Transaction is consummated, each will pay its own and its representatives' fees and expenses, including any fee for advice or opinions incurred in connection with the negotiation, preparation, execution and delivery of this Letter of Intent and any other agreements, documents, opinions or evaluations contemplated hereby, including the Definitive Agreement.

9. Representations and Warranties

9.1 Representations and Warranties of CP. CP represents, warrants and covenants to Critical as of the date hereof and at the Closing that:

Corporate Organization

- (a) CP is a corporation duly incorporated, validly existing and in good standing under the laws of British Columbia and has the power, authority and capacity to enter into this Letter of Intent, to carry out its terms and has all necessary corporate power to own the Properties described in Schedule "A" to this Letter of Intent and to conduct its business as such business is now being conducted.
- (b) CP has no subsidiaries, is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind, except for the CP Subsidiaries.
- (c) CP Subsidiaries are corporations duly incorporated, validly existing and in good standing under the laws of Ghana and has all necessary corporate power to own the Properties and to conduct its business as such business is now being conducted.

Share Capital

- (d) The authorized share capital of CP consists of an unlimited number of common shares without par value.
- (e) Except as disclosed in writing to Critical, there are and will be at Closing be no outstanding warrants, options or other rights or other arrangements under which CP is bound or obligated to issue additional CP Shares, warrants or other options or rights to acquire CP Shares.
- (f) There is no shareholders' agreement in force with respect to CP.
- (g) CP has never declared a dividend.

Authority to Enter into Letter of Intent

- (h) The execution and delivery of this Letter of Intent and the consummation of the transactions contemplated hereby have been duly authorized by the board of directors of CP.
- (i) The execution and delivery of this Letter of Intent and all other related agreements or documents, and the completion of the transactions contemplated hereby, will by Closing have been duly and validly authorized by all necessary corporate acts on the part of CP, and this Letter of Intent constitutes a legal, valid and binding obligation of CP, subject to shareholder approval or consent as may be required.
- (j) Subject to the receipt of any necessary shareholder approval, neither the execution and delivery of this Letter of Intent, nor the completion of the transactions contemplated hereby will conflict with or result in any breach of any of the terms and provisions of, or constitute a default under, the constating documents, director or shareholder minutes of CP, or any agreement or instrument to which CP is a party or by which the Properties are bound or any order, decree, statute, regulation, covenant or restriction applicable to CP.

Properties

- (k) Except as disclosed in Schedule "A", no person other than CP has or will have any agreement, option, understanding or commitment, royalty, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment for the acquisition of an interest in the Properties.
- (l) Except as disclosed in Schedule "A", CP owns or has the right to own an undivided 100% legal and beneficial interest in the Properties free and clear of all security interests, liens, charges, mortgages, pledges, encumbrances, adverse claims and demands of any nature or kind whatsoever recorded or unrecorded.
- (m) The Properties are in good standing by the proper completion and filing of all documents and the payments of all fees, in accordance with applicable mining laws and any regulations thereto, and the performance of all other actions necessary in that regard.
- (n) Except as disclosed in Schedule "A", there are no adverse, proprietary, possessory or other interests or agreements affecting the Properties and no person is entitled to any royalty or other payment in the nature of rent or royalty on any minerals, ores, metals or concentrates, or any other products removed from the Properties other than as described herein.
- (o) To the knowledge of CP, there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of CP) pending or threatened by or against CP or affecting the Properties at law or in equity, except as disclosed in Schedule "A", or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign and CP is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.

Material Contracts

- (p) CP is not in default or breach of its obligations under any material contracts to which it is a party and to the knowledge of CP, there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach, and all such material contracts are now in good standing and in full force and effect without amendment thereto and CP is entitled to all benefits thereunder. Further, there are no outstanding material disputes under any such contracts and no consents, releases, waivers or approvals are necessary under such contracts with regard to the transactions described in this Letter of Intent. CP is not aware of any other party having an intention to terminate, either by notice or breach, any material contract made with CP.
- (q) CP will provide to Critical copies of all material contracts that it is a party of and, other than as disclosed to Critical, CP is not a party to any material contracts.

Litigation and Liabilities Matters

- (r) CP has filed with appropriate taxation authorities, federal, state, provincial and local, all returns, reports and declarations which are required to be filed by it and has paid all taxes which have become due and no taxing authority is asserting or has, to the knowledge of CP threatened to assert, or has any basis for asserting against CP any claim for additional taxes or interest thereon or penalty.
- (s) The CP Financial Statements, when available, will be based on the books and records of CP, which are true and correct in every material respect, and will fairly present the

assets and liabilities of CP and the financial condition of CP at the date thereof and the results of the operations for such periods, in accordance with Canadian generally accepted accounting principles.

- (t) CP has no indebtedness, liabilities or obligations, secured or unsecured (whether accrued, absolute, contingent or otherwise) other than as disclosed in the CP Financial Statements, except for those incurred in the ordinary course of business and those incurred in connection with the transactions contemplated by this Letter of Intent.
- (u) CP has no and has never had any employees and there are no written or verbal contracts of employment, whether contracts of service, contracts for service or management agreements with CP.

Covenants

- (v) CP covenants and agrees that all CP expenditures will be approved in writing, as evidenced by a fax transmission or email transmission, by Peter Hawley.
- (w) CP will engage GGCQ upon Peter Hawley providing his approval of GGCQ's proposal.
- (x) As soon as possible following the execution of this Letter of Intent, CP shall use its commercially reasonable efforts to prepare the CP Financial Statements and the Technical Reports pertaining to the Properties and deliver same to Critical.
- (y) CP will use its commercially reasonable efforts to cause its shareholders to approve or consent to the Transaction, as necessary.
- (z) Prior to the expiry of the Due Diligence Period, CP will provide to Critical copies of all material contracts that it is a party of.
- (aa) Prior to expiry of the Due Diligence Period, CP will provide to Critical a description of all outstanding debt of CP as at the date of this Letter of Intent, and prior to Closing CP will provide to Critical a description of all outstanding debt of CP as at Closing.

9.2 Representations and Warranties of Critical. Critical represents, warrants and covenants to CP as of the date hereof and at the Closing that:

Corporate Organization

- (a) Critical is a corporation duly incorporated and validly existing under the laws of British Columbia and is in good standing with respect to the filing of annual returns, and has the power, authority and capacity to enter into this Letter of Intent and to carry out its terms and to conduct its business as such businesses is now being conducted.
- (b) Critical has no subsidiaries.
- (c) Critical is a "reporting issuer" within the meaning of securities laws in British Columbia and Alberta, is not in default of any requirement of any applicable securities laws and neither the Exchange or any other regulatory authority having jurisdiction has issued any order preventing or suspending trading of any securities of Critical.

Share Capital

- (d) The common shares of Critical are listed for trading on the Exchange.

- (e) The authorized share capital of Critical consists of an unlimited number of common shares without par value of which as of the date of this Letter of Intent 4,500,000 common shares are issued and outstanding as fully paid and non-assessable shares, and shall remain the same at Closing subject only to the issuance of additional Critical Shares upon exercise of outstanding share purchase warrants and options described in Schedule "B" and issuance of additional Critical Shares pursuant to the Transaction and Private Placement.
- (f) Except as disclosed in Schedule "B" to this Letter of Intent or as issued or made issuable under the Private Placement, there are and will be at Closing no outstanding Critical Warrants, Critical Options or other arrangements under which Critical is bound or obligated to issue additional Critical Shares, Critical Warrants, Critical Options, or other options or rights to acquire Critical Shares.
- (g) Subject to applicable securities laws and the rules and policies of the Exchange, Critical has the full and lawful right, and authority to issue the Critical Shares to the Shareholders in connection with the Transaction and upon completion of the Transaction, the Critical Shares issued to the Shareholders will be validly issued as fully paid and non-assessable common shares in the capital of Critical free and clear of all encumbrances.

Authority to Enter into Letter of Intent

- (h) The execution and delivery of this Letter of Intent and the consummation of the transactions contemplated hereby have been duly authorized by the board of directors of Critical.
- (i) Neither the execution and delivery of this Letter of Intent nor consummation of the transactions contemplated hereby will conflict with or result in the breach of any of the terms or provisions of, or constitute a default under, the constating documents, director or shareholder minutes of Critical or any agreement or instrument to which Critical is a party or by which it or its assets are bound or any order, decree, statute, regulation, covenant or restriction applicable to Critical.
- (j) Subject to the acceptance of the Exchange, the execution and delivery of this Letter of Intent and all other related agreements or documents, and the completion of the transactions contemplated hereby, have been duly and validly authorized by all necessary corporate acts on the part of Critical and do not require Critical to obtain any other authorization, approval, order, license, permit, consent, certificate or registration and this Letter of Intent constitutes a legal, valid and binding obligation of Critical, except for the approval of the shareholders of Critical for the Transaction.

Litigation and Liabilities Matters

- (k) To the knowledge of Critical, there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Critical) pending or, to the knowledge of Critical, threatened by or against Critical, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign and Critical is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.
- (l) Critical is not in default or breach of its obligations under any material contracts to which it is a party and to the knowledge of Critical, there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach, and all such material contracts are now in good standing and in full force and effect without

amendment thereto and Critical is entitled to all benefits thereunder. Further, there are no outstanding material disputes under any such contracts and no consents, releases, waivers or approvals are necessary under such contracts with regard to the transactions described in this Letter of Intent. Critical is not aware of any other party having an intention to terminate, either by notice or breach, any material contract made with Critical.

- (m) Critical has filed with appropriate taxation authorities, federal, state, provincial and local, all returns, reports and declarations which are required to be filed by it and no taxing authority is asserting or has, to the knowledge of Critical threatened to assert, or has any basis for asserting against Critical any claim for additional taxes or interest thereon or penalty.
- (n) As of their respective dates, all information and materials filed by Critical with the British Columbia and Alberta securities commissions since December 1, 2009, and which is available through the SEDAR website as of the date hereof (including all exhibits and schedules thereto and documents incorporated by reference therein) (collectively, the "Public Record") did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and complied in all material respects with all applicable legal and stock exchange requirements.
- (o) The financial statements of Critical available on SEDAR are based on the books and records of Critical, which are true and correct in every material respect, and fairly present the financial condition of Critical at the date thereof and the results of the operations for such periods, in accordance with Canadian generally accepted accounting principles.
- (p) Critical has no indebtedness, liabilities or obligations, secured or unsecured (whether accrued, absolute, contingent or otherwise) which are not disclosed in the financial statements available on SEDAR, except for those incurred in connection with the transactions contemplated by this Letter of Intent.
- (q) Critical has never had any reportable disagreement (within the meaning of applicable securities laws) with the present or any former auditor of Critical.
- (r) Critical will at Closing have received the approval of its shareholders, if necessary, for the Transaction, if applicable name change to a name acceptable to CP and shall take all commercially reasonable efforts to obtain regulatory approval to the name change.
- (s) Critical will use its commercially reasonable efforts to complete the Private Placement concurrent with the Closing.
- (t) At the time of Closing, Critical will have obtained all consents, approvals, permits, authorizations or filings as may be required under securities laws and the by-laws, rules and regulations of the Exchange necessary for the performance by Critical of its obligations under this Letter of Intent.

10. Public Disclosure

- 10.1 Permitted Public Disclosures. No disclosure or announcement, public or otherwise, in respect of this Letter of Intent or the transactions contemplated herein will be made by any Party without the prior written agreement of the other Parties as to timing, content and method, providing that the obligations herein will not prevent either Party from making, after consultation with the other Parties, such disclosure as its counsel advises is required by applicable laws or the rules and policies of the Exchange.

- 10.2 **Confidentiality.** Unless and until the transactions contemplated in this Letter of Intent will have been completed, except with the prior written consent of the other Parties, each of the Parties and its respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the other Party in strictest confidence, except such information and documents already available to the public or as are required to be filed or disclosed by applicable law.
- 10.3 **Return of Materials.** All such information and documents in any form or medium whatsoever, including but without limitation copies thereof and derivative materials made therefrom will be returned to the Party originally delivering them, or at the direction of such Party, destroyed in the event that the transactions provided for in this Letter of Intent are not completed.

11. Termination

- 11.1 **Termination.** This Letter of Intent may be terminated by mutual agreement of the respective parties hereto. Unless otherwise agreed in writing by Critical and CP, this Letter of Intent shall terminate without further notice or agreement in the event that:
- (a) the Transaction is rejected by the TSXV as the Qualifying Transaction of Critical and all recourse or rights of appeal have been exhausted; or
 - (b) any conditions precedent set out in section 4 hereof are not satisfied, released or waived on or before the Effective Date or such earlier date indicated therein; or
 - (c) the Effective Date has not occurred on or before the Deadline to Close.

12. Interpretation

- 12.1 **Definitions.** In this Agreement the following terms have the meaning set out after each:
- (a) “\$25,000 Loan” means the loan granted by Critical to CP pursuant to subsection 3.3.
 - (b) “CCGQ” means Geologica Group Conseil of Quebec.
 - (c) “Closing” means the completion of the Transaction and related transactions.
 - (d) “Closing Date” means that date designated by the Parties which is within five business days after the receipt of final acceptance from the Exchange for the Transaction.
 - (e) “Completion of QT” means the date the Exchange issues a final bulletin approving of the Transaction without conditions.
 - (f) “CP Financial Statements” means the annual financial statements and interim financial statements of CP, as contemplated under Items 45, 46 and 47 of Form 3B1 and 3B2, which will be prepared.
 - (g) “CP Shares” means common shares in the capital of CP.
 - (h) “CP Subsidiaries” means Canterbury Mining Company, Windsor Mining Company, Oxford Mining Company Limited, Thames Mining Company, Great Yorkshire Mining Company Limited, Kensington Mining Company Limited, and POW International Limited.
 - (i) “Critical Financial Statements” means the annual financial statements and interim financial statements of Critical as contemplated under Item 44 of Form 3B1 and 3B2, which will be prepared.

- (j) "Critical Options" means stock options exercisable to purchase Critical Shares.
- (k) "Critical Shares" means common shares in the capital of Critical.
- (l) "Critical Warrants" means share purchase warrants exercisable to purchase Critical Shares.
- (m) "Deadline to Close" means September 30, 2010, or such later date as agreed to by Critical and CP in writing.
- (n) "Definitive Agreement" means a formal agreement containing the terms in this Letter Agreement and such other terms, conditions, representations, warranties, conditions, indemnities and agreements as are customary for transactions of this nature.
- (o) "Due Diligence Period" means a period commencing on the date of execution of this Letter of Intent and ending on the Closing Date.
- (p) "Effective Date" means the date of the Completion of QT.
- (q) "Encumbrances" means mortgages, charges, pledges, security interests, liens, encumbrances, actions, claims, demands and equities of any nature, including without limitation, any liability for accrued but unpaid taxes.
- (r) "Exchange" means the TSX Venture Exchange Inc.
- (s) "Exchange Ratio" has the meaning set out in subsection 3.2.
- (t) "Finder's Fee" means finder's fee that may be payable by Critical under the Private Placement, on terms as permitted by the policies of the Exchange or any other governing jurisdictions.
- (u) "Form 3B1 and 3B2" means the Exchange's Form 3B1 and 3B2 Information required in an information circular for a reverse take-over or change of business/Information required in a filing statement for a reverse take-over or change of business.
- (v) "Monthly Loans" means the monthly loans to be granted by Critical to CP pursuant to subsection 3.4.
- (w) "Name Change" means the change of name of Critical to a name acceptable to CP acting reasonably.
- (x) "Private Placement" means a non-brokered equity private placement by Critical to raise aggregate gross proceeds of a minimum of \$2,500,000 to a maximum of up to \$4,000,000, at the highest price that the market will bear, provided such price will not be less than \$0.25 per share.
- (y) "Pro Forma Financial Statements" means the pro forma financial statements of Critical and CP giving effect to the Transaction, as contemplated under Item 48 of Form 3B1 and 3B2, which will be prepared.
- (z) "Properties" means the six Properties located in southwest Ghana and CP's interests therein, as more particularly described in Schedule "A".
- (aa) "Qualifying Transaction" has the meaning given to such term under the policies of the Exchange.

- (bb) "Resulting Company" means the corporation that was formerly Critical that will exist upon the completion of the Qualifying Transaction.
- (cc) "Securities Laws" means the securities legislation having application, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable securities regulatory authority, all as amended.
- (dd) "Shareholders" means the holders of 100% of the issued and outstanding CP Shares as of the Closing Date.
- (ee) "Transaction" has the meaning set out in subsection 3.1 above.

12.2 Schedules. The following are the schedules attached to and incorporated in this Agreement by this reference and deemed to form a part hereof:

- (a) Schedule "A" – description of the Properties.
- (b) Schedule "B" – issued and outstanding share capital of Critical.
- (c) Schedule "C" – share capital of CP.

13. General Matters

- 13.1 Survival. The representations, warranties and covenants made by Critical and CP in this Letter of Intent will survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of either Critical and CP or any other person acting on their behalf, will continue in full force and effect for a period of one year.
- 13.2 Enurement. This Letter of Intent will enure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. This Letter of Intent may not be assigned by any Party without the prior written consent of the others.
- 13.3 Currency. All monies which are referred to in this Agreement are, unless expressly stated otherwise, expressed in lawful money of Canada.
- 13.4 Binding Obligations. This Letter of Intent is intended to be a binding agreement between the Parties subject to the terms and conditions hereof.
- 13.5 Time of the Essence. Time is of the essence of this Letter of Intent.
- 13.6 Governing Law. This Letter of Intent will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 13.7 Severability. If any provision of this Letter of Intent is invalid, illegal, or incapable of being enforced by reason of any rule of law or public policy, then such provision will be severed from and will not affect any other provision of this Letter of Intent. Upon such determination, the Parties will negotiate in good faith to modify such terms or provisions so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible. All other provisions of this Letter of Intent will, nevertheless, remain in full force and effect and no provision will be deemed dependent upon any other provision unless so expressed.

13.8 Counterparts. This Letter of Intent may be executed by the Parties in as many counterparts as may be necessary, and each such agreement so executed shall be deemed to be an original and, provided that all of the Parties have executed a counterpart, such counterparts together shall constitute a valid and binding agreement, and notwithstanding the date of execution shall be deemed to bear the date as set forth above. Such executed copy may be transmitted by telecopied facsimile or other electronic method of transmission, and the reproduction of signatures by facsimile or other electronic method of transmission will be treated as binding as if originals.

If you agree to the above terms, kindly sign two copies of this letter signifying your approval and acceptance and return one fully executed letter to the writer at your earliest convenience. Upon acceptance this offer becomes a binding agreement subject to its terms.

Yours truly,

CRITICAL CAPITAL CORPORATION

per:

Brian Lock, CEO, President and Director

The undersigned hereby agrees to the foregoing terms and conditions of this Letter of Intent this _____ day of March, 2010.

CASTLE PEAK MINING LTD.

per:

Authorized Signatory

Schedule "A"

List of Properties

Castle Peak Mining Ltd. ("CP") has interests in seven exploration properties in southwest Ghana that are held by CP's subsidiary companies that have joint venture agreements with local Ghanaian companies, with options to acquire the licenses from the local Ghanaian companies. CP has seven subsidiaries, six of which are 100% wholly owned: Canterbury Mining Company, Windsor Mining Company, Oxford Mining Company Limited, Thames Mining Company, Great Yorkshire Mining Company Limited and Kensington Mining Company Limited. CP owns 99.98% of the shares of POW International Limited. The properties are described as follows:

No	Name of License (Properties)	License No.	Concession type	Expiry Date of License	Area (km ²)	Name License is Registered in	Interests or agreements affecting the Properties	CP's interest in Properties	Additional Notes
1	Nkwanta	PL2/99	Prospecting	Sep. 14, 2010	33.55	Netas Mining Company Limited	_____	Canterbury has acquired 100% of interest to title from Netas 2.5% NSR to Netas	Note 1
2	Asuogya	PL2/99	Prospecting	Sep. 17, 2010	34.42	Netas Mining Company Limited	_____	Canterbury has acquired 100% of interest to title from Netas 2.5% NSR to Netas	Note 2
3	Ayiem	PL2/166 Area B	Prospecting	Nov. 13, 2010	56.98	Foremost Mining Company	_____	Canterbury has acquired 100% of interest to title from Netas 2.5% NSR to Foremost	Note 3
4	Esserman (Kedadwen / Essamang)	PL2/166 Area A	Prospecting	Nov. 13, 2010	40.24	Foremost Mining Company	_____	Canterbury has acquired 100% of interest to title from Netas 2.5% NSR to Foremost	Note 4
5	Bonsaso (WD)	PL2/385	Prospecting	Apr. 6, 2010	23.54	WD Gold Mining Company	_____	90% of interest to title being acquired by Windsor 10% beneficial interest retained by WD Gold	Note 5
6	Dampen (WD II)	Land Registry No. 74/2007	Reconnaissance	_____, 2010	17.01	WD Gold Mining Company	_____	CP has acquired 100% beneficial interest. 2.5% NSR to WD Gold	Note 6

No	Name of License (Properties)	License No.	Concession type	Expiry Date of License	Area (km ²)	Name License is Registered in	Interests or agreements affecting the Properties	CP's interest in Properties	Additional Notes
7	Dompem	Land Registry No. 2526/1994	Prospecting	_____, 200_	26.98	POW International Limited	Order of Interim Injunction	POW holds 82.5% legal and beneficial interest, subject to the Dompem Deed of Assignment and Order of Interim Injunction Klair Star holds remaining 17.5%	Note 7
Total area					232.72				

Note 1: The Nkwanta prospecting licence for gold and base metals for a term of two years, subject to renewal, dated March 7, 1990, and stamped as LVB 1571/90 was issued by the Government to Netas Mining Company (Ghana) Limited ("Netas"). The prospecting license has been renewed and expires on September 14, 2010. The following documents are required by the Minerals Commission to renew the license upon expiry on September 14, 2010:

- o Three copies of a comprehensive terminal report, with logs of pits, assay results, etc.;
- o Detailed financial report;
- o Eight copies of site plan indicating areas to be retained and those to be shed;
- o Evidence of annual ground rent payments; and
- o An Environment Permit from the Environmental Protection Agency (EPA).

A joint venture agreement was signed between Netas and Canterbury Mining Company Ltd ("Canterbury") on March 10, 2005; amended by an addendum to the joint venture agreement dated March 22, 2005; and again amended by a supplemental and amending agreement dated June 28, 2007, for the Nkwanta concession. Pursuant to the agreement as amended, Netas transferred and assigned 100% of the Nkwanta property free of any encumbrance of any nature to Canterbury, subject to a 2.5% Net Smelter Returns Royalty (NSR) reserved to Netas, in consideration for the payment by Canterbury to Netas of the aggregate sum of US\$116,333, which have been paid. Canterbury has an exclusive option to acquire the NSR for US\$2,000,000.

Title to the prospecting license is still in the name of Netas. Assignment agreement to transfer title from Netas to Canterbury needs to be prepared and there is a US\$25,000 filing fee when documents to transfer title is filed with the Minerals Commission.

Note 2: The Prospecting Licence Agreement (PLA) for the Asuogya property for gold and base metals, dated March 7, 1990, and stamped as LVB 571/90, was made between the Government of the Republic of Ghana and Netas for a term of two years, subject to renewal. The Government extended the validity period of the PLA up to September 17, 2010. The following documents are required by the Minerals Commission to renew the license upon expiry on September 17, 2010:

- o Three copies of a comprehensive terminal report, with logs of pits, assay results, etc.;
- o Detailed financial report;
- o Eight copies of site plan indicating areas to be retained and those to be shed;
- o Evidence of annual ground rent payments; and
- o An Environment Permit from the Environmental Protection Agency (EPA).

Netas entered into a joint venture with Canterbury on March 10, 2005; amended by an addendum to the joint venture agreement dated March 22, 2005; and again amended by a supplemental and amending agreement dated June 28, 2007, for the Asuogya concession. Pursuant to the agreement as amended, Netas transferred and assigned 100% of the Asuogya property free of any encumbrance of any nature to Canterbury, subject to a 2.5% Net Smelter Returns Royalty (NSR) reserved to Netas, in consideration for the payment by Canterbury to Netas of the aggregate sum of US\$116,333, which have been paid. Canterbury has an exclusive option to acquire the NSR for US\$2,000,000.

Title to the prospecting license is still in the name of Netas. Assignment agreement to transfer title from Netas to Canterbury needs to be prepared and there is a US\$25,000 filing fee when documents to transfer title is filed with the Minerals Commission.

Note 3: The Prospecting Licence Agreement (PLA) for the Ayiem property for gold and diamonds, dated April 2, 1996, was made between the Government of the Republic of Ghana and Foremost Mining Co. Ltd ("Foremost"), for an initial term of two years, subject to renewal. The Government extended the validity period of the PLA up until October 14, 2005 and Foremost have been granted renewal until November 13, 2010. The following documents are required by the Minerals Commission to renew the license upon expiry on November 13, 2010:

- o Three copies of a comprehensive terminal report, with logs of pits, assay results, etc.;
- o Detailed financial report;
- o Eight copies of site plan indicating areas to be retained and those to be shed;
- o Evidence of annual ground rent payments; and
- o An Environment Permit from the Environmental Protection Agency (EPA).

Foremost entered into a joint venture with Canterbury dated March 10, 2005; amended by an addendum to the joint venture agreement dated March 22, 2005; and again amended by a supplemental and amending agreement dated June 28, 2007, for the Ayiem concession. Pursuant to the agreement as amended, Foremost transferred and assigned 100% of the Ayiem property free of any encumbrance of any nature to Canterbury, subject to a 2.5% Net Smelter Returns Royalty (NSR) reserved to Foremost, in consideration for the payment by Canterbury to Foremost of the aggregate sum of US\$116,333, which have been paid. Canterbury has an exclusive option to acquire the NSR for US\$2,000,000.

Title to the prospecting license is still in the name of Foremost. Assignment agreement to transfer title from Foremost to Canterbury needs to be prepared and there is a US\$25,000 filing fee when documents to transfer title is filed with the Minerals Commission.

Note 4: The Prospecting Licence Agreement (PLA) for the Esserman (Kedadwen / Essamang) property for gold and diamonds, dated April 2, 1996, was made between the Government of the Republic of Ghana and Foremost, for an initial term of two years, subject to renewal. The Government extended the validity period of the PLA until November 13, 2010. The following documents are required by the Minerals Commission to renew the license upon expiry on November 13, 2010:

- o Three copies of a comprehensive terminal report, with logs of pits, assay results, etc.;
- o Detailed financial report;
- o Eight copies of site plan indicating areas to be retained and those to be shed;
- o Evidence of annual ground rent payments; and
- o An Environment Permit from the Environmental Protection Agency (EPA).

Foremost entered into a joint venture with Canterbury dated March 10, 2005; amended by an addendum to the joint venture agreement dated March 22, 2005; and again amended by a supplemental and amending agreement dated June 28, 2007, for the Kedadwen concession. Pursuant to the agreement as amended, Foremost transferred and assigned 100% of the Kedadwen property free of any encumbrance of any nature to Canterbury, subject to a 2.5% Net Smelter Returns Royalty (NSR) reserved to Foremost, in consideration for the payment by Canterbury to Foremost of the aggregate sum of US\$116,333, which have been paid. Canterbury has an exclusive option to acquire the NSR for US\$2,000,000.

Title to the prospecting license is still in the name of Foremost. Assignment agreement to transfer title from Foremost to Canterbury needs to be prepared and there is a US\$25,000 filing fee when documents to transfer title is filed with the Minerals Commission.

Note 5: The Bonsaso prospecting licence was issued for gold exploration for a term of two years, subject to renewal, to the WD Gold Mining Company Limited ("WD Gold") on March 14, 2007 (stamped as LVB681007 and registered at the Lands Registry as No.10/2007). The licence has been renewed until April 6, 2010. Windsor Mining Company Limited ("Windsor") entered into a joint venture agreement with WD Gold, whereby WD Gold agreed to transfer 90% of its total equity share in the concession to Windsor, for an aggregate of US\$12,000. On March ____, 2009, WD Gold entered into an assignment agreement with Windsor, whereby WD Gold agreed to transfer to Windsor title to the prospecting license and 90% of its interest in the prospecting license, WD Gold will retain 10%

beneficial interest in the license. Pursuant to the assignment agreement, Windsor agreed to pay WD Gold USD\$30,000, as follows:

- o USD\$15,000 upon execution of the assignment agreement (US\$15,000 was paid).
- o USD\$15,000 upon the assignment being approved by the Minister of the Minerals Commission (US\$9,000 was paid, with US\$6,000 owing. Minister approval has been obtained).

Title to the prospecting license is still in the name of WD Gold. There is a US\$25,000 filing fee when documents to transfer title is filed with the Minerals Commission.

Note 6: The Dompem reconnaissance licence for gold, diamonds and base metals for a term of one year, subject to renewal, was issued by the Government to WD Gold dated November 30, 2007, stamped as LVB27341/07 and registered at the Land Registry as No. 74/2007. The licence has been renewed until _____, 2010. Pursuant to a joint venture agreement dated January 7, 2008 and stamped as LVB/807/08 between CP and WD Gold, WD Gold agreed to transfer 100% of its interest to the Dompem reconnaissance licence to CP in consideration of total cash payment of US\$22,500, which have been paid, and work obligations to be incurred by CP, and WD Gold will retain 2.5% NSR Royalty interest.

Title to the prospecting license is still in the name of WD Gold. There is a US\$25,000 filing fee when documents to transfer title is filed with the Minerals Commission.

Note 7: The Dompem prospecting licence for gold for a term of two (2) years, subject to renewal, was issued by the Government to Klair Star Company Limited ("Klair Star") dated September 6, 1994 stamped as LVB8443/94 and registered at the Lands Registry as No. 2526/1994 (the "Dompem Prospecting Licence"). The Government extended the term of the Dompem Prospecting Licence up to March 22, 2006 and since the said expiry date, POW as the permitted assignee and registered holder of the Dompem Prospecting Licence has remained in possession of the licenced area and applied to the Ghana Minerals Commission by letter dated February 13, 2007 for a renewal/extension of the term of the licence and consequently pursuant to section 35 (35) of the Mining Law the said licence is deemed to continue in force until the said application by POW for renewal/extension has been determined by the Minister.

Pursuant to the joint venture agreement (the "Dompem JV Agreement") dated January 25, 2005 between Trimedia Communications Inc. ("Trimedia") and Klair Star, the parties agreed, inter alia, that POW be established as a joint venture company to undertake gold prospecting and development operations in respect of the Dompem Prospecting Licence.

Pursuant to the deed of assignment (the "Dompem Deed of Assignment") dated March 23, 2005 between Klair Star as assignor and POW as assignee, Klair Star as the registered holder of the Dompem Prospecting Licence assigned the said licence to POW for valuable consideration with the permission of the Government subject only to a 17.5% contributing equity interest in POW reserved to Klair Star.

Pursuant to the pleadings of the parties in civil suit No. BDC/29/05 pending before the High Court (Commercial Division) Accra (the "Trial Court") commenced on November 18, 2005 by Klair Star, minority shareholder of POW, against Jeff Shammah, POW and Trimedia, Klair Star seeks, inter alia, an order of the Trial Court to rescind the Dompem Joint Venture Agreement and set aside the Dompem Deed of Assignment after the said two transactions had been duly completed in accordance with their terms and same approved by the Government in accordance with the Mining Law.

An Order of Interlocutory Injunction dated December 15, 2005 (the Order of Interim Injunction) was made by the Trial Court whereby the said Court placed an interim injunction on the Defendants in the said suit to restrain them from dealing in or transferring any shares of POW or any interest in the Dompem Prospecting Licence until a final determination of the Suit.

Schedule "B"**Issued and Outstanding Capital of Critical**

The following table shows the fully diluted share capital of Critical as of the date of this Letter of Intent, and on Closing:

Securities	Authorized	Total Outstanding	Convertible Securities	
			Exercise Price	Expiry Date
Common	Unlimited	4,500,000	Not Applicable	Not Applicable
Share purchase warrants	N/A	200,000	\$0.10	March 9, 2002
Stock options	N/A	450,000	\$0.101	March 9, 2020
Total Fully Diluted		5,150,000		

Schedule "C"**Share Capital of CP**

The following table shows the share capital of CP as of the date of this Letter of Intent:

Securities	Authorized	Total Outstanding	Convertible Securities	
			Exercise Price	Expiry Date
Common	Unlimited	Not Available	Not Applicable	Not Applicable
Share purchase warrants	Not Applicable	Nil	Not Applicable	Not Applicable
Stock options	Not Applicable	Nil	Not Applicable	Not Applicable

APPENDIX II
Submission of Terminal Report and Application for extension for the Foremost Ayiem
Concession



MINERALS COMMISSION

#12 Switchback Road Residential Area, Cantonments
P. O. Box M 248 Accra - Ghana
Tel: (233-21) 772783 / 773053 / 771318 / Fax: (233-21) 773324
Email: mincom@mc.ghanamining.org
Website: www.ghanamining.org

PL.2/166

13 November, 2009

The Managing Director
Foremost Mining Company Limited
P. O. Box 14436
Accra

Dear Sir,

**RE: SUBMISSION OF TERMINAL REPORT AND APPLICATION FOR
EXTENSION FOR THE FOREMOST AYIEM PROPERTY**

We refer to your application dated 15th September, 2009 relating to the above subject matter and wish to inform you that the validity period of your Prospecting Licence at Ayiem in the Western Region is being extended for a 12-month period with effect from the date of this letter.

At the end of the period, you will be required to submit the following documents for the renewal of the licence.

- a. Three (3) copies of a comprehensive terminal report, with logs of pits, assay results etc;
- b. Detailed financial report;
- c. Eight (8) copies of site plan indicating areas to be relinquished and those to be retained in accordance with Section 100(2) of the Minerals and Mining Act, 2006 (Act 703);
- d. Evidence of annual ground rent payments; and
- e. An Environmental Permit from the Environmental Protection Agency (EPA).

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'P. Awuah'.

(PETER AWUAH)

PRINCIPAL MINERAL TITLES OFFICER
For: CHIEF EXECUTIVE OFFICER

- cc: - The Chief Inspector of Mines, Inspectorate Division, Minerals Commission, Accra
- The Director, Ghana Geological Survey, Accra

acctserv Ext Offer- PL EOK

APPENDIX III
Application for extension for the Nkwanta Prospecting Licence

COPY

MINERALS COMMISSION
P. O. BOX M 248
ACCRA

PL.2/99

14 September, 2009

The Managing Director
Netas Mining Company Limited
P. O. Box 15607
Accra North

Dear Sir,

**RE: APPLICATION FOR EXTENSION OF THE
NKWANTA PROSPECTING LICENCE**

We refer to your application dated 2nd February, 2009 relating to the above subject matter and wish to inform you that the validity period of your Prospecting Licence at Nkwanta in the Western Region is being extended for a 12-month period with effect from the date of this letter.

At the end of the period, you will be required to submit the following documents for the renewal of the licence.

- a. Three (3) copies of a comprehensive terminal report, with logs of pits, assay results etc;
- b. Detailed financial report;
- c. Eight (8) copies of site plan indicating areas to be retained and those to be shed
- d. Evidence of annual ground rent payments; and
- e. An Environmental Permit from the Environmental Protection Agency (EPA).

Yours faithfully,



(PETER AWUAH)

PRINCIPAL MINERAL TITLES OFFICER
For: CHIEF EXECUTIVE OFFICER

- cc: - The Chief Inspector of Mines, Inspectorate Division, Minerals
Commission, Accra
- The Director, Ghana Geological Survey, Accra

APPENDIX IV
Agreement between the Government of Republic of Ghana and Foremost Mining Co.
Ltd concerning the Ayiem Concession

This Agreement

is made the 2nd day of April 1976
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA (hereinafter called "THE GOVERNMENT") acting by EDWARD SALIA the Minister for Energy and Mines (hereinafter called "THE MINISTER") of the One Part and FOREMOST MINING CO. LTD. Registered office at F307/2 OJEENE ST. OSU-RE, P.O. BOX 14436, ACCRA (hereinafter called "THE COMPANY") of the other part.

WHEREAS:

- A. It is Government's policy to take all such steps as it deems appropriate and effective for prospecting for minerals in the Republic of Ghana and for producing gold and diamonds thereby ensuring that the maximum possible benefits accrue to the nation from the exploitation of its mineral resources;
- B. In pursuit of the above policy Government desires to secure the co-operation of Companies which possess the necessary financial and managerial qualifications and skills for carrying out mineral operations;
- C. The Company, which warrants its financial, technical and managerial competence for undertaking mineral operations has declared itself willing to engage in prospecting operations in Ghana on the understanding that it shall bear the sole risk and cost of such prospecting operations and on establishing that there are good prospects for undertaking commercial mining operations it may apply for and be granted a mining lease subject to the provisions of the Minerals and Mining Law, 1986 (PNDCL 153);

WITNESSES AS FOLLOWS:

1. The Government hereby grants unto the Company the right and Licence to prospect for and prove gold and diamonds under or in the area described in the Schedule hereto and demarcated on the map which forms part of this AGREEMENT (hereinafter called "the Licence Area") excluding any parts to be relinquished from time to time for a term of TWO (2) YEARS from the 2nd day of April 1976 with a right of extension as hereinafter provided.
2. RIGHTS OF THE COMPANY:
 - a. The Company shall have the right to conduct such geological and geophysical investigations in the Licensed Area as it considers necessary to determine an adequate quantity of geologically proven and mincable reserve of gold and diamonds
 - b. The Company may exercise all or any of the rights and powers granted hereunder through agents, independent contractors or sub-contractors.
 - c. The Company shall not conduct any operations in a sacred area and shall not without the prior consent of the Minister conduct any operations:
 - i. Within twenty metres of any building, installations, reservoir, dam, public road, railway or area appropriated for a railway; or
 - ii. in an area occupied by a market, burial ground, cemetery or within a town or village or an area set apart for, used, appropriated or dedicated to a public purpose.
 - d. Nothing contained in this Agreement shall be deemed to permit the Company to dispense with the necessity of applying for and obtaining any permit or authority which the Company may be required by law or regulation to obtain in respect of any works and/or activities to be carried out hereunder.
3. RIGHTS OF THIRD PARTIES:
 - a. The Government reserves the right to grant Licences to third parties for prospecting or enter into Agreements for the production of minerals other than gold and diamonds in the Licensed area, provided that any such activity shall not unreasonably interfere with the rights granted to the Company hereunder.
 - b. The Company shall not hinder or prevent members of the local population from exercising the following customary rights and privileges in or over the Licensed Area:
 - i. to hunt game
 - ii. to gather firewood for domestic purposes
 - iii. to collect snails
 - iv. to till and cultivate farms
 - v. to observe rites in respect of groves and other areas held to be sacred.Provided always that where the exercise of these customary rights and privileges unduly interferes with or obstructs the operations of the Company hereunder, the Company shall make arrangements with members of the said local population for the limitation or waiver of such rights and privileges such arrangements to include the payment of compensation where necessary. The Government shall furnish such assistance as is reasonably required in the making of such arrangements.
4. CONDUCT OF OPERATIONS:
 - a. The Company shall conduct all of its operations hereunder with due diligence, efficiency and economy to the maximum extent possible consistent with good mining industry practice and in a proper workmanlike manner observing sound technical and engineering principles and practices, using appropriate modern and effective equipment, machinery, materials and methods and to pay particular regard to the protection of the environment.

- b. The Company shall maintain all equipment in good repair and all pits and trenches and all excavated areas in safe and good condition and take all practicable steps:-
- i. to prevent damage to adjoining farms and villages;
 - ii. to avoid damage to trees, crops, buildings, structures and other property in the Licensed Area to the extent however, that any such damage is unavoidable the Company shall pay fair and reasonable compensation.

The Company shall provide and maintain in good repair and condition proper roads, gates, stiles and fences for the convenient occupation of the surface of the Licensed Area.

- d. The Company shall use its best efforts to exercise its rights and powers granted by this Agreement in such manner as not to cause interference with or avoidable obstruction or interruption to the felling of timber by the licensed timber operators within the Licensed Area and the Government shall furnish assistance to the Company to make appropriate arrangements with such operators to permit the prospecting programme to proceed without interference or delay.

5. WORKING OBLIGATIONS:

- a. The Company shall with due diligence and by means of modern geological, geophysical and other methods normally associated with mineral prospecting and within three months of the date of this Agreement or at such other time as the Minister may specify, commence prospecting operations with a view to establishing the existence of gold and diamonds in economic quantities.
- b. The Company, having prior to the commencement of this Agreement submitted its programme of work to the Government, shall carry out its operations in accordance with the programme and the Chief Executive of the Minerals Commission, Chief Inspector of Mines or any other officer authorised by the Government shall from time to time inspect the operations to ensure that the Company does so.
- c. The Company shall diligently continue to carry out its operations hereunder and shall spend as actual direct prospecting expenditure not less than the minimum amounts specified in its work programme.
- d. If on the termination or expiration of this Agreement for any reason other than force majeure the Company shall not have spent the amounts specified in the work programme, the difference between the amount actually expended and the stipulated minimum for the year in which termination or expiration takes place shall be paid to the Government within thirty days after the date of such termination or expiration provided that if the termination shall be occasioned by force majeure or upon adequate proof, by the Company, that gold and diamonds mineralization does not exist in sufficient quantities in the area to warrant completion of the work programme the Company shall not be liable to pay to the Government any difference on the stipulated minimum expenditure.

6. NOTIFICATION OF DISCOVERY OF OTHER MINERALS:

The Company shall report forthwith to the Minister, the Chief Inspector of Mines, the Director of Geological Survey and the Chief Executive of the Minerals Commission the discovery in the Licensed Area of any other minerals and the Company shall be given the first option to prospect further and to work the said minerals subject to satisfactory arrangements between the Government and the Company.

7. SAMPLES:

- a. The Company shall not during the currency of this Agreement destroy, except in analyses, any cores or samples obtained from the Licensed Area without the prior written consent of the Director of Geological Survey.
- b. The Company shall provide the Director of Geological Survey and the Chief Inspector of Mines with such samples from the Licensed Area as they may from time to time reasonably request.
- c. All cores and samples obtained from the Licensed Area shall be delivered to the Director of Geological Survey on the termination of this Agreement and in the event of the Company not obtaining a mining lease.

8. RECORDS:

- a. The Company shall maintain at its registered office copies of the following:
 - i. full and complete records and books of account relating to the prospecting programme.
 - ii. the detailed results and analysis of all surveys, boring, pitting, investigations and other testing conducted pursuant to the provisions of this Agreement.
- b. The records referred to in the foregoing paragraph shall include copies of all geological, geophysical geochemical, drilling and pitting reports relating to the Licence Area and all maps, drawings and diagrams pertaining to these reports.
- c. The said records, with the exception of proprietary technical information, shall be made available for inspection at reasonable times without delaying work on the prospecting programme, by the Chief Inspector of Mines and the Chief Executive of the Minerals Commission or their representatives, upon request, and shall be retained in Ghana, unless removed with Government's consent.
- d. Failure to keep such records and to produce them for inspection upon receipt of reasonable notice shall constitute just cause for the cancellation of this Licence.
- e. Copies of the aforementioned records shall be delivered to the Chief Executive of the Minerals Commission and the Chief Inspector of Mines on the termination of this Agreement and in the event of the Company not obtaining a mining lease in respect of the licensed area.

9. REPORTS:

- a. The Company shall furnish to the Chief Inspector of Mines, the Director of Geological Survey and the Chief Executive of the Minerals Commission, not later than the 15th of each third month, a report giving a general description of the work done by the Company in the preceding quarter and containing a description accompanied by a sketch plan of the areas where any or any other minerals were found, particulars of the type of minerals found and the number and weight of samples taken, if any.
- b. The Company shall furnish to the Chief Inspector of Mines, Chief Executive of the Minerals Commission and the Director of Geological Survey not later than sixty days after the end of each calendar year, an Annual Report in such form as may be prescribed.
- c. All records, reports, plans and information which the Company is required to supply to the Government and its agents pursuant to the provisions of this Agreement shall be supplied at the expense of the company.
- d. Any information or material supplied by the Company to the Government pursuant to the provisions of this Agreement shall be treated by the Government, its officers and agents as confidential and shall not be revealed to third parties except with the consent of the Company (which consent shall not be unreasonably withheld) for a period of 12 months with respect to technical information and 36 months with respect to financial information from the date of submission of such information. The Government and persons authorised by the Government may nevertheless use any such information received from the Company for the purpose of preparing and publishing general reports on minerals in Ghana.

10. FINANCIAL OBLIGATIONS:

- a. The Company shall pay to the Government:
 - i. in consideration of the grant of the right of prospecting for gold and diamonds in the Licensed Area an amount of ₵500,000 (five hundred thousand cedis) within 30 days from the date of this Agreement.
 - ii. A yearly rent of ₵195,000 (one hundred and ninety five thousand cedis)
- b. Payment of the rent specified in the foregoing paragraph shall be made yearly in advance, the first year's payment having been made before the execution of this Agreement.

11. ASSIGNMENT, MORTGAGE, ETC:

- a. The Company shall not assign, mortgage, sublet or otherwise transfer any interest in the Licensed Area without the prior written consent of the Government.
- b. The Government may impose such conditions on the giving of such consent as it thinks fit.

12. SURRENDER OF PART OF LICENSED AREA:

- a. The Company may surrender at any time and from time to time by giving not less than three months' notice to the Chief Inspector of Mines and the Chief Executive of the Minerals Commission, all its rights hereunder in respect of any part or parts of the Licensed Area. The Company shall be relieved of all obligations in respect of the part or parts of the Licensed Area so surrendered except those obligations which accrued prior to the effective date of surrender.
- b. The Company shall leave the part of the Licensed Area surrendered and everything thereon in a safe condition. The Company shall take all reasonable measures to restore the surface of such part of the Licensed Area surrendered and all structures thereon to the property of the Company to their original condition. In the event that the Company fails to do so, the Chief Inspector of Mines shall make such part and everything thereon safe and in good condition at the expense of the Company.

13. RENEWAL OF LICENCE:

- a. If the Company applies in writing to the Government not less than three months before the expiration of this Agreement for a renewal of the licence hereof and if the Company shall not be in default at that time in the performance of any of its obligations hereunder the Company may, subject to the provisions of the law, be granted a period not exceeding two years upon such terms and conditions as the parties may then agree.
- b. A further renewal of the licence may be granted in accordance with the provisions of the Minerals and Mining Law 1986, PNDCL 153.

14. RE-ENTRY BY GOVERNMENT:

If the operations and activities of the Company in accordance with the prospecting programme shall cease in the Licensed Area before the same have been completed and if such cessation shall be due entirely to the fault of the Company, the Government may, upon giving the notice and following the procedure required in paragraph 15 below, re-enter the Licensed Area and take possession of all buildings, erections, plants and materials thereon without compensation to the Company (such right of entry not to prejudice any additional remedy of the Government), and thereupon the Agreement shall terminate.

15. TERMINATION BY THE GOVERNMENT

- a. The Government may, subject to the provisions of this paragraph, terminate this Agreement if any of the following events shall occur:
 - i. the Company shall fail to make any of the payments described in this Agreement on the payment date; or
 - ii. the Company shall contravene or fail to comply with any other condition of this Agreement; or
 - iii. the company shall become insolvent or commit any act of bankruptcy or enter into any agreement of composition with its creditors or take advantage of any law for the benefit of debtors or go into liquidation, whether compulsory or voluntary, except for the purposes of reconstruction or amalgamation; or

iv. the Company knowingly submits any false statement to the Government in connection with this Agreement.

- b. If and whenever the Government decides to terminate this Agreement pursuant to clauses (i) and (ii) of the preceding sub-paragraph, the Government shall give the Company notice specifying the particular contravention or failure and permit the Company to remedy the same within twenty-one days of such notice or such longer period as the Minister may specify in such notice as reasonable in the circumstances.
- c. If the Company shall fail to remedy an event specified in clauses (i) and (ii) of sub-paragraph (a) of this paragraph within the stated period, or an event specified in clauses (iii) and (v) of the said sub-paragraph shall occur, the Government may by notice to the company terminate this Agreement.
- d. Upon termination of this Agreement by the Government every right of the Company hereunder shall cease (save as specifically otherwise provided hereunder) but subject nevertheless and without prejudice to any obligation or liability imposed or incurred under this Agreement or applicable law prior to the effective date of termination.
- e. No delay or omission or course of dealing by the Government shall impair any of its rights hereunder or be construed to be a waiver of an event specified in sub-paragraph (a) of this paragraph or acquiescence therein.

16. ASSETS ON TERMINATION OR EXPIRATION:

- a. Upon the termination or expiration of this Agreement, the Company may, within sixty days from the effective date of such termination, remove from the Licensed Area any structures and installations erected and any movables placed thereon by the Company. Any structures, installations and movables not so removed within the said period shall become the property of the Government without charge.

17. FORCE MAJEURE:

- a. Failure on the part of the Company to comply with any of the terms and conditions hereof (except the obligations to make payment of monies to the Government) shall not be grounds for cancellation or give the Government any claim for damages in so far as such failure arises from force majeure, the Company having taken all appropriate precautions, due care and reasonable alternative measures with the objective of avoiding such failure and of carrying out its obligations hereunder. The Company shall take all reasonable measures to remove such inability to fulfil the obligations hereunder with the minimum of delay.
- b. For purposes of this paragraph force majeure includes acts of God, war, insurrection, earthquake, storm, flood or other adverse weather condition but shall not include any event caused by the failure to observe good mining industry practice or by the negligence of the Company or any of its employees or contractors.
- c. The Company shall notify the Minister within twenty-four hours of an event of Force Majeure affecting its ability to fulfil the terms and conditions hereof.
- d. The period of this Agreement shall be extended for a period of time equal to the period or periods during which the company was affected by any of the conditions set forth in sub-paragraph (b) of this paragraph, but not to exceed six months in the aggregate.

18. FOREIGN EXCHANGE:

- a. Subject to sub-paragraph (b) of this paragraph the Company shall, during the term of this agreement and so long as it does not derive any revenue from its operations hereunder, finance such operations in the following manner:
 - i. By converting to Ghana currency through authorised dealers such amounts of foreign currency as will be sufficient to cover the Company's operating expenses, required to be paid in Ghana currency including any payments to the Government and third parties provided that the terms of any loans obtained abroad shall be in conformity with current international, commercial and monetary conditions and that prior notice of such loans and advances shall be furnished to the Bank of Ghana.
 - ii. By directly purchasing and/or hiring abroad as is necessary for conducting the prospecting programme with its foreign currency funds and importing to and/or using in Ghana freely and without restrictions such machinery, equipment, materials and services of any nature whatsoever as will be required by the company for its operations hereunder.
- b. The Company may be required to pay all its rentals and other licensing fees to the Government in dollars or other freely convertible currency, or such currencies as shall be specified by the Bank of Ghana.
- c. All conversions of currency shall be made at the prevailing official rates of exchange.

19. PRODUCTION AGREEMENT:

If upon the expiration of this Agreement the Company shall have carried out its obligations hereunder to the satisfaction of the Government and shall have successfully established to the Government that the development of a mine from ore reserves established within the Licensed Area is economically and financially feasible, then the Government shall grant to the Company the first option to (i) acquire a lease for the purposes of mining in the Licensed Area, and (ii) participate in a mining Project in the Licensed Area subject to negotiation with the Government of satisfactory terms for such licence and participation.

20. NOTICE:

- a. Any application, notice, consent, approval, direction, or instruction hereunder shall be in writing and shall be served by hand or by registered mail. Delivery by hand shall be deemed to be effective when made, and delivery by registered mail shall be deemed to be effective at such time as it would in the ordinary course of registered mail be delivered to the addressee. Until changed by appropriate notice, the Company's address in Ghana is its registered office as set forth above and the addresses of the Government officials are as follows:-
- i. The Hon. Minister, Ministry of Energy and Mines, P. O. Box T.40, Accra.
 - ii. The Chief Inspector of Mines, Mines Department, P. O. Box 254, Takoradi.
 - iii. The Director, Geological Survey Department, P. O. Box M. 80, Accra
 - iv. The Chief Executive, Minerals Commission, P. O. Box M. 248, Accra
 - v. The Director, Survey Department, P. O. Box 191, Accra.
 - vi. The Governor, Bank of Ghana, P. O. Box 2674, Accra.

21. ARBITRATION:

Subject to the provisions hereof, if any time during the continuance of this Agreement or after its termination any question or dispute shall arise regarding the rights, powers, duties and liabilities of the parties hereto such question or dispute shall be referred to arbitration in accordance with the Arbitration Act 1961 (Act 38). In such event, there shall be two arbitrators, one to be appointed by each party.

22. GOVERNING LAW:

This Agreement shall be governed by, construed and interpreted in accordance with the laws of Ghana.

23. HEADINGS:

The headings given to paragraphs in this Agreement are for convenience only and shall not affect the construction or interpretation of this Agreement.

THE SCHEDULE ABOVE REFERRED TO:

AREA A

All that piece or parcel of land containing an approximate ^{area} of 40.24 square kilometres lying to the north of latitudes 4°58'40", and 5°00'00"; south of latitudes 5°00'45", 5°01'33", 5°02'15", 5°02'25" and 5°03'05"; east of longitudes 2°05'00", 2°05'10", 2°05'15", 2°05'55" and 2°07'18" and west of longitudes 2°03'00" and 2°04'00".

AREA B

All that piece or parcel of land containing an approximate area of 56.98 square kilometres lying to the north of latitude 4°48'44"; south of latitudes 5°00'00" and 5°05'23"; east of longitudes 1°58'50" and west of longitudes 1°53'25" and 1°56'25"

in the Wassa West and Mphor-Wassa East Districts of the Western Region of the Republic of Ghana, which piece or parcel of land is more particularly delineated on the plan annexed hereto for the purposes of identification and not of limitation.

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

SIGNED AND SEALED with the SEAL of the Ministry of Energy and Mines and DELIVERED by the said

Minister for Energy and Mines for and on behalf of the Government of the Republic of Ghana in the presence of:-

MINERALS COMMISSION

[Signature]

[Signature]
Ministry of Mines & Energy
P. O. BOX T. 40
STADIUM POST OFFICE
ACCRA

The COMMON SEAL of the said FOREMOST MINING CO. LTD. was affixed to these presents and the same were DELIVERED in the presence of:

FOREMOST MINING CO. LTD.

[Signature]
Chairman / Managing Director

[Signature]
EMMANUEL ADJE TAGORÉ
MANAGING DIRECTOR

[Signature]
NEWTON AMAKYE TAAFO
DIRECTOR/SECRETARY

OATH OF PROOF

I, Emmanuel Barnor of Minerals Commission

MAKE OATH and SAY that on the 2nd day of April 1996

I was present and saw the Minister of Energy and Mines duly execute the Instrument now produced to me and Marked "A" and that the said Edward Salia can read and write,

Sworn at Accra this 4th day of April 1996

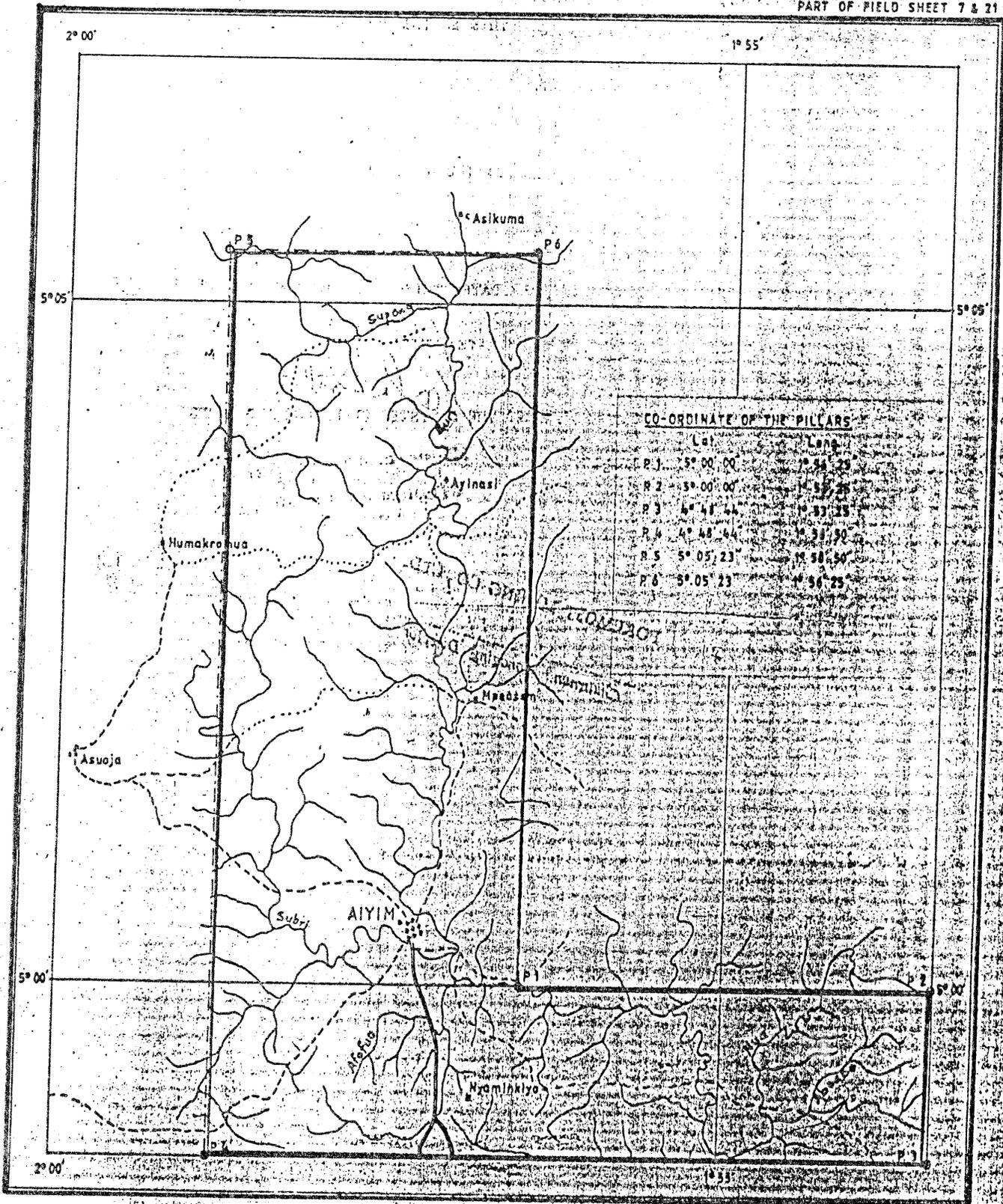
Before Me,

[Signature]
REGISTRAR OF LANDS

[Signature]
DEPONENT

PROPOSED GOLD CONCESSION
 FOR FOREMOST MINING CO. LTD.
 SITUATE AT AIYIM W/R
 SHEWN EDGED PINK
 AREA = 22.00 SQ. MLS. or 56.98 KM.²

PART OF FIELD SHEET 7 & 21

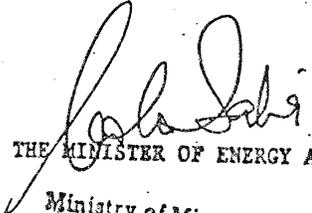


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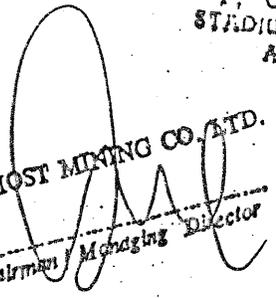
THIS IS THE PLAN REFERRED TO

IN THE ANNEXED PROSPECTING LICENCE

DATED THIS 2nd DAY OF April 1996


THE MINISTER OF ENERGY AND MINES

Ministry of Mines & Energy
P. O. BOX T. 40
STADIUM POST OFFICE
AGGRA


FOREMOST MINING CO. LTD.

Chairman / Managing Director

4.0 WORK PROGRAMME

The Work Programme is divided into the undermentioned phases. Progression to the succeeding phase will depend a great deal on the outcome of the preceding phase. For example, if at any stage the results are very discouraging, the project may be abandoned. It is however expected that the entire Work Programme prepared will be pursued to the finish with only little modifications when required.

PHASE 1

4.1 Continuation of Preliminary Prospecting

- a) Continuation of Preliminary geological mapping and documentation.
- b) Continuation of Stream Sediment Soil and Hard Rock Samplings.
- c) Preliminary Pitting/Sonic Drilling around known prospects and existing working.
- d) Assay
- e) Evaluation of Results.

4.1.1 This phase will be the continuation of orientational work during which attempts will be made to delineate prospective economical areas. This will be based on preliminary geological mapping and documentation to confirm the general geological trends and formations.

4.1.2 The next stage will be to locate and restore any old workings in the area, prepare plans for channel sampling, assaying and study of any geological structures revealed by the workings.

4.1.3 Continuation of selective sampling of active stream sediments along some of the rivers which have not been covered during the reconnaissance period. The results will form the basis of comparison with any previous work carried out in the area.

4.1.4 Systematic pitting/sonic drilling along the major rivers and some of their tributaries will be carried out to assess their alluvial gold and diamond potentiality. Pits will be collared (1 x 1m) and sampled at 0.5 meter intervals with depth from the overburden, through the gravel layer to the bedrock to ensure that gold and or diamond grains are not lost just below the gravel layer. Detailed logging will be made of the overburden thickness, thickness of the gravel layer and the bedrock as well as the distribution pattern of the minerals in the various layers. Pitting will take precedence over other methods because it is considered more informative, especially where alluvial and eluvial deposits are concerned.

4.1.5 Continuation of soil sampling in target areas with grid lines of 400 x 20 meters and where necessary 200 x 20 meters will be carried out. This will involve depths of soil samples of about 30cm.

4.1.6 Finally, other geological works will be carried out if considered necessary. It is hoped that any geophysical works already conducted in the area by the Geological Survey will help in the interpretation of the structural problems. At the end of this phase, an internal preliminary report will be prepared. The report will form the basis on which the detailed prospecting phase will be projected and carried out as the next phase of the project.

Duration up to 8 months.

PHASE 2

4.2 Detailed Prospecting

- a) Geophysical Prospecting (VLF-EM/SP)
- b) Geochemical Investigations
- c) Trenching and Sampling
- d) Pitting/Sonic Drill Sampling
- e) Structural Geological Mapping
- f) Assay
- g) Evaluation of Project.

4.2.1 Geophysical methods (VLF-EM/SP) will be used to identify mineralized zones/anomalies within the concession area. Other works to be tackled are - clarification of the general forms of the mineral deposits (or anomalies), the size of the main ore bodies, their quality, mineralogy and technical problems which will generally assist in the evaluation of the deposit.

4.2.2 Geochemical samples will be taken along the geophysical traverses and analyzed to cross check any prospects/anomalies picked up by the geophysicist. All the geochemical anomalies recorded will be "prioritized".

4.2.3 Detailed soil sampling at a closer grid system 100 x 20m, and 50 x 20m will be undertaken.

4.2.4 Trenching, sampling (sample sized will depend upon the knowledge obtained from the previous phase as regards the thickness of the ore body, mineral distribution, etc) and structural geological mapping. Any other geological works deemed necessary will also be carried out.

4.2.5 Pitting/sonic drilling in case of alluvial gold and diamond developments will be continued with a grid system of 100 x 20m and 50m x 20m.

4.2.6 Assaying of all samples will be carried out locally in the first instance. Some external cross-checking of the assay values will also be made.

4.2.7 Survey works - all works from this stage will be performed on a strict grid system. All sample points from the previous phase and the subsequent ones will be surveyed and put on plans and sections. This will facilitate a more effective analysis and interpretation of the prospecting work.

4.2.8 Geophysical results will be used to help solve any complex structural problems that cannot be solved through surface and sub-surface mapping.

4.2.9 Mineralogical and petrographical studies will be carried out.

4.2.10 Preliminary technological analysis of ore reserves, etc will also be made.

4.2.11 Preliminary reserve calculation will be attempted at this stage if possible.

4.2.12 A report will be prepared at the end of the period. This will involve project appraisal and projections for the next phase of the prospecting programme.

Duration - 10 months.

PHASE 3

4.3 Pre-feasibility Studies

- a) Trenching and Sampling
- b) Pitting/Sonic Drill Sampling
- c) Hard Rock Drilling
- d) Other Detailed Geological Works
- e) Geological Report.

4.3.1 Work will be concentrated in areas which have shown positive results during the previous phases and carried out according to the importance of the results. Area(s) which could be mined first will be prospected in more detail. The aim will be to accurately define the geological structure, forms, attitude of the ore bodies, their quality and quantity, preliminary hydrogeological and engineering studies of the ore deposit, i.e. the evaluation of probable ore reserves and grade.

4.3.2 Trenching will continue at closer grid spacing than before. Sampling, survey works and structural geological mapping of workings will be carried out. The trenching will be at 50m intervals and probable reserves indicated, the intervals will be reduced to 25 meters to enable proven reserves to be calculated more accurately.

4.3.3 In the case of alluvial deposits, pitting will again continue at a closer grid than before. Detailed technical and technological studies of the deposit(s) viz., overburden, gravel layer thickness, pebble sizes and their composition, nature of mineral distribution etc, will be carried out. A grid system of 50m x 20m will be used for probable reserves, reducing the grid to 25m x 20m to enable proven reserves to be calculated.

4.3.4 Systematic drilling of lode gold deposit for probable reserve calculations, ore intersection drilling will be at 20m intervals.

4.3.5 Additional geophysical works will be carried out when necessary.

4.3.6 Assay of all samples will be done locally and externally as and when necessary.

4.3.7 Preliminary bulk sampling, detailed technical and technological analysis will be carried out in specified places.

4.3.8 Any other geological works deemed necessary will be done.

4.3.9 Selection of proposed mining methods based upon the nature of the ore body and associated minerals will be tackled with the analysis of various equipment specifications being examined.

4.3.10 Proven reserves will be computed to determine the extent of the economic mineral potential of the concession area.

4.3.11 A pre-feasibility report will be prepared to determine the economic potential of the area with the view to attracting investors or financing for the final stage of the project.

Duration - 12 months.

4.4 Feasibility Studies

- a) Final Geological Studies of the Deposit
- b) Technical and Technological Evaluation of the Project
- c) Mining and its associated Engineering Studies
- d) Metallurgical Studies
- e) Environmental Studies
- f) Mine Design Studies
- g) Consideration of Infrastructural Facilities
- h) Economic and Financial consideration.

4.4.1 During this stage, final geological studies of the deposit will be conducted, technical and technological evaluation of the project, mining and its associated engineering studies will be completed. Determination of processing plant and other metallurgical works studies will be carried out as well as all components of environmental effects. Infrastructural facilities will be considered. Problems of economic and financial matters will be tackled at this stage, including the mode of financing the mining project.

4.4.2 A final Feasibility Report will then be written to enable a Mining Lease be applied for.

4.5 Mine Development/Construction

4.5.1 Upon receipt of the Mining Lease, it is the expectation that a new mine would be developed within the shortest possible time.

5.0 SAFETY AND OTHER PRECAUTIONARY MEASURES
DURING PROSPECTING WORKS

- 5.1 Prior to the commencement of works on the proposed mineral concession, all workers will undergo training in basic safety measures in mineral exploration, i.e. fencing and covering of pits and trenches, supporting of weak grounds etc. Group leaders will go through basic first aid instructions.
- 5.2 Measures will be instituted to prevent unnecessary water pollution, destruction of plant and animal lives and the prevention of erosion during prospecting works. These will form part of the environmental impact assessment programme for the project.
- 5.3 The Final Feasibility Report will contain a comprehensive chapter on Environmental Impact Assessment of the Mining and Ore processing aspects. This Chapter will deal with subjects such as, reclamation of mined-out ground, waste disposal and safety controls during the mining and processing.

6.0 COST ESTIMATES

Phases One

	USD
1. Consulting Geologist (Local) 90 days @ \$150/day	13,500.00
2. Geologist \$1,500 x 8 months	12,000.00
3. Technicians (2) \$1,000 x 2 x 8	16,000.00
4. Labour	12,000.00
5. Local Assay	10,000.00
6. Inconvenience Allowance/Per diem (Consulting Geologist, Local) \$35 x 90 days	3,150.00
7. Inconvenience Allowance/Per diem (Geologist) \$25 x 30 x 8	6,000.00
8. Inconvenience Allowance/Per diem (Technicians, (2) \$15 x 2 x 30 x 8	7,200.00
9. Field Accommodation	2,700.00
10. Management/Consultancy	12,000.00
11. Field Equipment - include water pumps	4,500.00
12. Resource Vehicle	35,000.00
13. Field Support (fuel, lubricants, servicing of vehicle, etc)	12,000.00
14. Secretarial Support & Report Writing	5,000.00
	<hr/>
	151,050.00
15. Contingencies 20%	30,000.00
	<hr/>
TOTAL	USD 181,260.00
	<hr/>

* Expatriate Fees are not included in this cost estimate.

Phase Two

	USD
1. Consulting Geologist (\$150 x 100)	15,000.00
2. Geologist (\$1,500 x 8)	12,000.00
3. Consulting Geophysicist (\$150 x 10)	1,500.00
4. Geophysicist (\$1,500 x 2)	3,000.00
5. Consulting Geochemist (\$150 x 10)	1,500.00
6. Geochemist (\$1,500 x 2)	3,000.00
7. Technicians (4) (\$1,000 x 4 x 10)	40,000.00
8. Geophysical Investigation	20,000.00
9. Geochemical Investigation	12,000.00
10. Labour	12,000.00
11. Local Assay	12,000.00
12. Control Assay	12,000.00
13. Administration/Consultancy	12,000.00
14. Inconvenience Allowance/Per diem (Consulting Geologist, Geophysicist, Geochemist) \$35 x 120	32,000.00
15. Inconvenience Allowance/Per diem (Geologist, Geochemist, Geophysicist) \$25 x 30 x 12	4,200.00
	9,000.00
16. Inconvenience Allowance/Per diem (Technician) (6)	10,800.00
17. Field Accommodation	3,500.00
18. Field Equipment	10,000.00
19. Field Support	20,000.00
	233,500.00
19. Contingency 20%	46,700.00
TOTAL	USD 280,200.00

Note: Expatriate fees are not included in this Cost Estimate.

Phase Three

		USD
1.	Supervising Geologist	15,000.00
2.	Geologist	12,000.00
3.	Surveyor	6,000.00
4.	Technical Officers	24,000.00
5.	Labour	15,000.00
6.	Local Assay	12,000.00
7.	Control Assay	5,000.00
8.	Administration/Consultancy	45,000.00
9.	Field Accommodation	3,500.00
10.	Field Equipment	4,500.00
11.	Resource Vehicle	35,000.00
12.	Contract Drilling	100,000.00
13.	Bulk Sampling, detailed technical & technological analysis of ore	50,000.00
14.	Management	15,000.00
15.	Field Support	15,000.00
16.	Inconvenience Allowance/Per diem	30,000.00
		<hr/>
		386,500.00
17.	Contingency 20%	77,300.00
		<hr/>
	TOTAL	USD 463,800.00

Cost Summary

1.	Phases One	181,260.00
2.	Phase Two	280,200.00
3.	Phase Three	463,800.00
		<hr/>
	GRAND TOTAL	USD 925,260.00

7.0 CONCLUSIONS

7.1 The Cost Estimate summarized in the previous paragraph represents the total cost of the Work Programme. While the estimates for the first and second phases may not change considerably during the programme implementation, the third and fourth phases may change as more geological information are obtained which may require modification of the Work Programme. The relevant authorities will be informed accordingly if any changes are made in the Work Programme as soon as practicable. Expatriate fees are not included in these cost estimates.

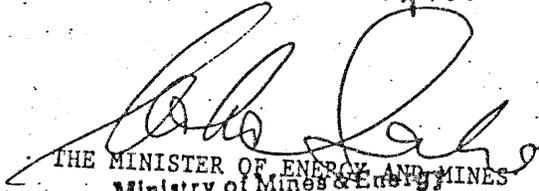
The Geological works from the initial stages up to Pre-feasibility studies are programmed to last about 30 months. During execution of the programme, more weight will be put on one of the genetic types of the gold deposits which may be considered more promising.

7.2 It is the considered opinion of the Consultants that the proposed Prospecting Work would and could be carried out within the targeted period using the barest minimum of external Consultancy and other services to reduce considerably the total cost of the project although the costs summarized herein anticipates possible external contract works.

THIS IS THE PLAN REFERRED TO

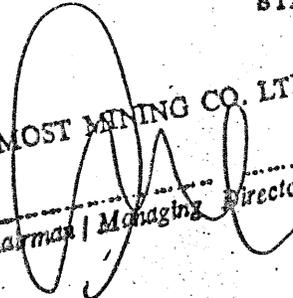
IN THE ANNEXED PROSPECTING LICENCE

DATED THIS 2nd DAY OF April 1996



THE MINISTER OF ENERGY AND MINES
Ministry of Mines & Energy
P. O. BOX T. 40
STADIUM POST OFFICE
ACCRA

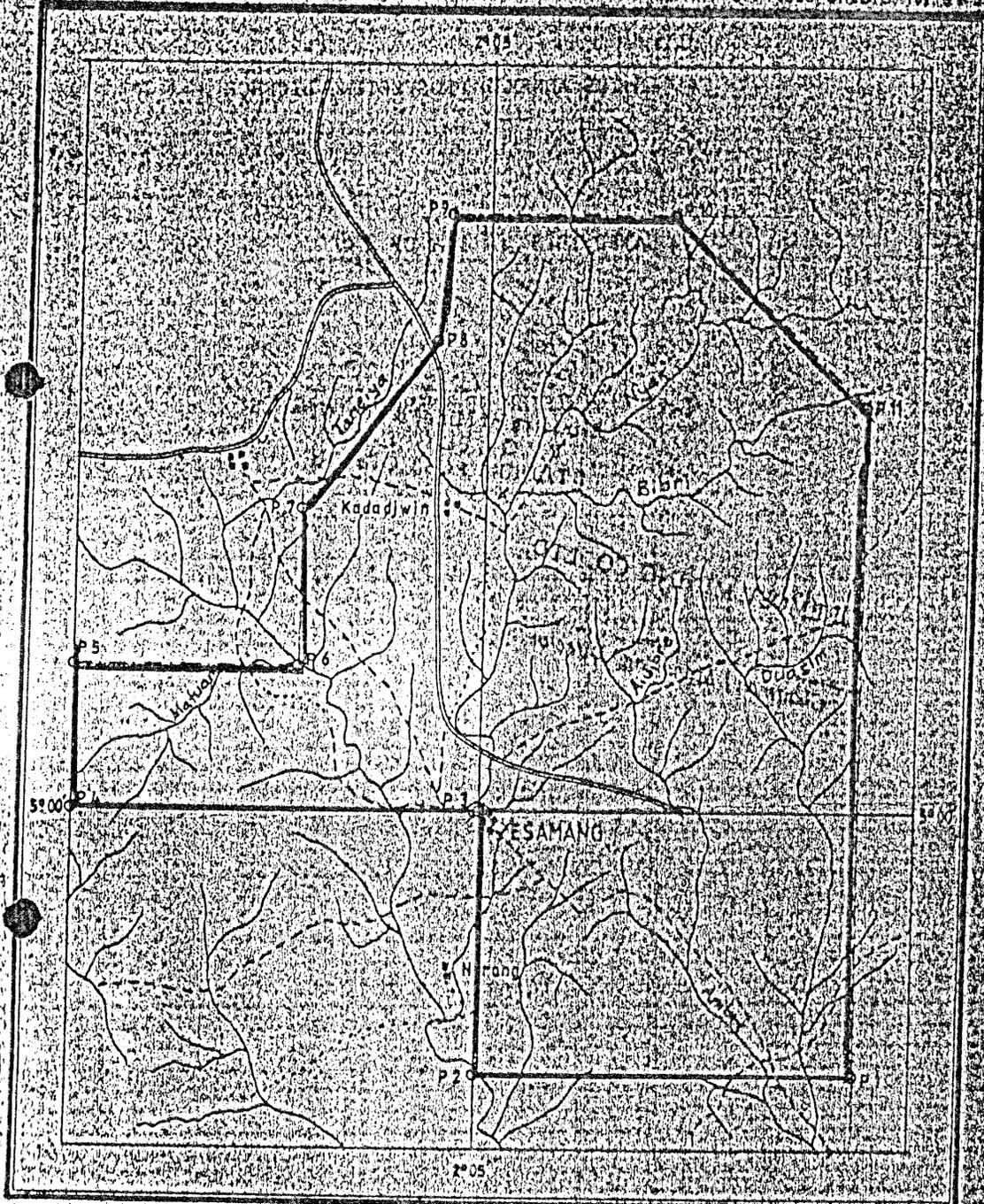
FOREMOST MINING CO. LTD.



Chairman / Managing Director

FOR FOREMOST MINING CO LTD
 SITUATE AT ESAMANG WAR
 SHEWN EDGED PINK
 AREA = 15.54 SQ. MLS OR 40.24 KM²

PART OF FIELD SHEETS 19, 3 & 2



COORDINATE OF THE POINTS

Point	Latitude	Longitude
P1	52° 03' 00"	2° 05' 00"
P2	52° 03' 00"	2° 05' 00"
P3	52° 03' 00"	2° 05' 00"
P4	52° 03' 00"	2° 05' 00"
P5	52° 03' 00"	2° 05' 00"
P6	52° 03' 00"	2° 05' 00"
P7	52° 03' 00"	2° 05' 00"
P8	52° 03' 00"	2° 05' 00"
P9	52° 03' 00"	2° 05' 00"
P10	52° 03' 00"	2° 05' 00"
P11	52° 03' 00"	2° 05' 00"
P12	52° 03' 00"	2° 05' 00"

SCALE 1:62500

This is the Instrument Marked "A" Referred to in the Oath of Emmanuel Banner

SWORN before me, this 4th day of April 1996

Quansah Chus
REGISTRAR OF LANDS

On the 4th day of April 1996 at 10:32 o'clock in the fore noon this Instrument was proved before me by the Oath of the within-named Emmanuel Banner to have been duly executed by the within-named Edward Salia

Quansah Chus
REGISTRAR OF LANDS

Dated this 2nd day of April 19 96

GOVERNMENT OF THE REPUBLIC OF GHANA

AND

FOREMOST MINING CO. LTD.

Prospecting Licence

SOLICITOR OF THE
SUPREME COURT

Term: Two (2) years (Renewable)

Commencement: 2-4-96

Expiry Date: 1-4-98

File No: PL.2/166

SCHEDULE "A"

COPY OF AYIEM AND ESSERMAN PROSPECTING LICENCE



IN ACCORDANCE WITH SECTION 20 OF THE STAMP
ACT 1965 I CERTIFY THAT IN MY OPINION THIS
INSTRUMENT IS CHARGEABLE WITH A DUTY OF
GHS 280 BEING THE DUPLICATE TO DOCUMENT NO
ON WHICH THE FULL DUTY OF GHS 2000 HAS
BEEN PAID ACCRA 20 05-03-10



[Signature]
Commissioner of Income Tax

APPENDIX V
Agreement between the Government of Republic of Ghana and Netas Mining Co. Ltd
concerning the Nkwanta Concession

MTLO 4



This Agreement is made the 7th day of November 1990

BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA (hereinafter called "THE GOVERNMENT") acting by the PNDC Secretary for Lands and Natural Resources (hereinafter called "THE SECRETARY") of the One Part AND Nttaa, Mining Co. Ltd having its Registered Office at P.O. BOX 15607 ACCRA-NORTH (hereinafter called "THE COMPANY") of the Other Part.

WHEREAS:

- (1) Government's policy is to take all such steps as it deems appropriate and effective for prospecting for minerals throughout the territories of the Republic of Ghana and for producing those minerals thereby ensuring that the maximum possible benefits accrue to the nation from the exploitation of its mineral resources.
(2) In pursuit of the above policy Government desires to secure the co-operation of Companies which possess, to the Government's satisfaction, the necessary financial and management qualifications and skills for carrying out mining operations.
(3) The Company, whose financial, technical and management competence for undertaking mineral operations has been established to the Government's satisfaction, has declared itself willing to engage in prospecting operations in Ghana on the understanding that it shall bear the sole risk and cost of such prospecting operations trusting that after the achievement of commercial production, it shall enjoy the prospect of reasonable rewards.
(4) The Company is also willing that once the prospecting operations come to an end and an economically and financially feasible mining project has been successfully established, the Government shall, if it so desires, have the option to participate in development and production operations.

WITNESSES AS FOLLOWS:

- (1) The Government hereby grants unto the Company the right and Licence to prospect for and prove gold & base min under or in the area described in the Schedule hereto and demarcated on the map which forms part of this AGREEMENT (hereinafter called the Licensed Area) excluding any parts which shall be relinquished from time to time in accordance with the provisions of this Agreement for a term of YEARS from the 7th day of November 1990 with a right of extension as hereinafter provided.

(2) RIGHTS OF THE COMPANY:

- (a) The Company shall have the right to conduct such geological and geophysical investigations in the Licensed Area as it considers necessary to determine an adequate quantity of geologically proven and mineable reserve of
(b) The Company may exercise all or any of the rights and powers granted hereunder through agents, independent contractors or sub-contractors.
(c) The Government shall secure for the Company, upon request by the Company, to the extent authorised by Law and at the Company's expense, surface rights for the erection, operation and maintenance of buildings, works and installations together with such wayleaves as the Company may reasonably require for the exercise of its rights and obligations under this Agreement; provided that any damage to private property shall be subject to adequate compensation by the Company
(d) The Company shall not, however, conduct any operations in a sacred area and shall not, without the prior consent of the Secretary conduct any operations:
(i) Within fifty yards of any building, installation, reservoir, dam, public road, railway or area appropriated for a railway or
(ii) in an area occupied by a market, burial ground, cemetery or within a town or village or an area set apart for, used, appropriated or dedicated to a public purpose.
(e) Nothing contained in this Agreement shall be deemed to permit the Company to dispense with the necessity of applying for and obtaining any permit or authority which the Company may be required by law or regulation to obtain in respect of any works and/or activities to be carried out hereunder.

(3) RIGHTS OF THIRD PARTIES:

- (a) The Government reserves the right to grant Licences to third parties for prospecting or enter into Agreements for the production of minerals other than gold and base min in the Licensed Area, provided that any such activity shall not unreasonably interfere with the rights granted to the Company hereunder.
(b) The Company shall not hinder or prevent members of the local population from exercising the following customary rights and privileges in or over the Licensed Area:
(i) to hunt game
(ii) to gather firewood for domestic purposes
(iii) to collect snails
(iv) to till and cultivate farms
(v) to observe rites in respect of groves and other areas held to be sacred

Provided always that where the exercise of these customary rights and privileges unduly interferes with or obstructs the operations of the Company hereunder, the Company shall make arrangements with members of the said local population for the limitation or waiver of such rights and privileges, such arrangements to include the payment of compensation where necessary. The Government shall furnish such assistance as is reasonably required in the making of such arrangements.

LR 18/874/1990

4. CONDUCT OF OPERATIONS:

- (a) The Company shall conduct all of its operations hereunder with due diligence, efficiency and economy to the maximum extent possible consistent with good mining industry practice and in a proper workmanlike manner observing sound technical and engineering principles and practices, using appropriate modern and effective equipment, machinery materials and methods and to pay particular regard to environmental protection.
- (b) The Company shall maintain all equipment and all pits and trenches in good repair and all excavated areas in safe and good condition and take all practicable steps:-
- (i) to prevent damage to adjoining farms and villages;
 - (ii) to avoid damage to trees, crops, buildings, structures and other property in the Licensed Area to the extent however, that any such damage is unavoidable the Company shall pay fair and reasonable compensation.
- (c) The Company shall provide and maintain in good repair and conditions proper roads, gates, stiles and fences for the convenient occupation of the surface of the Licensed Area.
- (d) The Company shall use its best efforts to exercise its rights and powers granted by this Agreement in such manner as not to cause interference with or avoidable obstruction or interruption to the felling of timber by Licensed timber operators within the Licensed Area and the Government shall furnish assistance to the Company to make appropriate arrangements with such operators to permit the prospecting programme to proceed without interference or delay.

5. WORKING OBLIGATIONS:

- (a) The Company shall with due diligence and by means of modern geological, geophysical and other methods normally associated with mineral prospecting and within three months of the date of this Agreement or at such other time as the Secretary may specify, commence prospecting operations with a view to establishing the existence of **gold & base metals in economic quantities**.
- (b) The Company, having prior to the commencement of this Agreement submitted its programme of work to the Government, shall carry out its operations in accordance with the programme and the Chief Inspector of Mines shall from time to time inspect the operations to ensure that the Company does so.
- (c) The Company shall diligently continue to carry out its operations hereunder and shall spend as actual direct prospecting expenditure not less than the minimum amounts specified in its work programme.
- (d) If on the termination or expiration of this Agreement for any reason other than force majeure the Company shall not have spent the amounts specified in the work programme, the difference between the amount actually expended and the stipulated minimum for the year in which termination or expiration takes place shall be paid to the Government within thirty days after the date of such termination or expiration.

6. NOTIFICATION OF DISCOVERY OF OTHER MINERALS:

The Company shall report forthwith to the Secretary, the Chief Inspector of Mines, the Director of Geological Survey and the Chief Executive of the Minerals Commission the discovery in the Licensed Area of any other minerals and the Company shall be given the first option to prospect further and to work the said minerals subject to satisfactory arrangements between the Government and the Company.

7. SAMPLES:

- (a) The Company shall not during the currency of this Agreement destroy, except in analyses, any cores or samples obtained from the Licensed Area without the prior consent of the Director of Geological Survey.
- (b) The Company shall provide the Director of Geological Survey and the Chief Inspector of Mines with such samples from the Licensed Area as they may from time to time reasonably request.

8. RECORDS:

- (a) The Company shall maintain at its registered office copies of the following:-
- (i) full and complete records and books of account relating to the prospecting programme in Ghana.
 - (ii) the detailed results and analysis of all investigations, surveys, boring, pitting and other testing conducted pursuant to the provisions of this Agreement.
- (b) The records referred to in the foregoing paragraph shall include copies of all geological, geophysical geochemical, drilling and pitting reports relating to the Licensed Area and all maps, drawings and diagrams pertaining to these reports.
- (c) The said records, with the exception of proprietary technical information, shall be made available for inspection at reasonable times without delaying work on the prospecting programme, by the Chief Inspector of Mines and the Chief Executive, Minerals Commission, upon request, and shall be retained in Ghana, unless removed with Government's consent.
- (d) Failure to keep such records and to produce them for inspection upon receipt of reasonable notice shall constitute just cause for the cancellation of this Licence.

9. REPORTS:

- (a) The Company shall furnish to the Chief Inspector of Mines, the Director of Geological Survey and the Chief Executive of the Minerals Commission, not later than the 15th of each fourth month, a report giving a general description of the work done by the Company in the **preceding quarter and containing a description accompanied by a sketch plan of the area where any and any other minerals were found, particulars of the type of minerals found and the number and weight of samples taken, if any.**
- (b) All records, reports, plans and information which the Company is required to supply to the Government and its agents pursuant to the provisions of this Agreement shall be supplied at the expense of the Company.

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(c) Any information or material supplied by the Company to the Government pursuant to the provisions of this Agreement shall be treated by the Government, its officers and agents as confidential and shall not be revealed to third parties except with the consent of the Company (which consent shall not be unreasonably withheld) for a period of 12 months with respect to technical information and 36 months with respect to financial information from the date of submission of such information. The Government and persons authorised by the Government may nevertheless use any such information received from the Company for the purpose of preparing and publishing general reports on gold and base metals in Ghana.

10. FINANCIAL OBLIGATIONS:

- (a) The Company shall pay to the Government:
- (i) in consideration of the grant of the right of prospecting for gold and base metals in the Licensed Area an amount of two hundred and fifty thousand cedis (C 250,000.00) within 30 days from the date of this Agreement.
 - (ii) A yearly rent of thirteen thousand one hundred cedis (C 13,100.00).
- (b) Payments of the rent specified in the foregoing paragraphs shall be made yearly in advance, the first years' payment having been made before the execution of this Agreement.

11. ASSIGNMENT, MORTGAGE, ETC.:

- (a) The Company shall not assign, mortgage, sublet or otherwise transfer this Agreement provided however that any of the rights and powers granted by this Agreement or any interest therein may be transferred with the prior written consent of the Government.
- (b) The Government may impose such conditions on the giving of such consent as it thinks fit.

12. SURRENDER OF PART OF LICENSED AREA:

- (a) The Company may surrender at any time and from time to time by giving not less than three months' notice to the Chief Inspector of Mines and the Chief Executive of the Minerals Commission, all its rights hereunder in respect of any part or parts of the Licensed Area. The Company shall be relieved of all obligations in respect of the part or parts of the Licensed Areas so surrendered except those obligations which accrued prior to the effective date of surrender.
- (b) The Company shall leave the part of the Licensed Area surrendered and everything thereon in safe condition. The Company shall take all reasonable measures to restore the surface of such part of the Licensed Area surrendered and all structures thereon not the property of the Company to their original condition. In the event that the Company fails to do so, the Chief Inspector of Mines shall make such part and everything thereon safe at the expense of the Company.

13. EXTENSION:

- (a) If the Company applies in writing to the Government not less than three months before the expiration of this Agreement for an extension of the term hereof and if the Company shall not be in default at that time in the performance of any of its obligations hereunder the Company may, subject to the provisions of the law, be granted an extension for a period not exceeding two years upon such terms and conditions as the parties may then agree.
- (b) A further extension may be granted in accordance with the provisions of the law.

14. RE-ENTRY BY GOVERNMENT:

If the operations and activities of the Company in accordance with the prospecting programme shall cease in the Licensed Area before the same have been completed and if such cessation shall be due entirely to the fault of the Company, the Government may, upon giving the notice and following the procedure required in paragraph 15 below, re-enter the Licensed Area and take possession of all buildings, erections, plants and materials thereon without compensation to the Company (such right of entry not to prejudice any additional remedy of the Government), and thereupon the Agreement shall terminate.

15. TERMINATION BY THE GOVERNMENT:

- (a) The Government may, subject to the provisions of this paragraph, terminate this Agreement if any of the following events shall occur:
- (i) the Company shall fail to make any of the payments described in this Agreement on the payment date ;or
 - (ii) the Company shall contravene or fail to comply with any other condition of this Agreement; or
 - (iii) the Company shall become insolvent or commit any act of bankruptcy or enter into any agreement or composition with its creditors or take advantage of any law for the benefit of debtors or go into liquidation, whether compulsory or voluntary, except for the purposes of reconstruction or amalgamation; or
 - (iv) the Company knowingly submits any false statement to the Government in connection with this Agreement.
- (b) If and whenever the Government decides to terminate this Agreement pursuant to clauses (i) and (ii) of the preceding sub-paragraph, the Government shall give the Company notice specifying the particular contravention or failure and permit the Company to remedy the same within twenty-one days of such notice or such longer period as the Secretary may specify in such notice as reasonable in the circumstances.
- (c) If the Company shall fail to remedy an event specified in clauses (i) and (ii) of sub-paragraph (a) of this paragraph within the stated period, or an event specified in clauses (iii) and (v) of the said sub-paragraph shall occur, the Government may by notice to the Company terminate this Agreement.

- (d) Upon termination of this Agreement by the Government every right of the Company hereunder shall cease (save as specifically otherwise provided hereunder) but subject nevertheless and without prejudice to any obligation or liability imposed or incurred under this Agreement or applicable law prior to the effective date of termination.
- (e) No delay or omission or course of dealing by the Government shall impair any of its rights hereunder or be construed to be waiver of an event specified in sub-paragraph (a) of this paragraph or an acquiescence therein.

16. ASSETS ON TERMINATION OR EXPIRATION:

- (a) Upon the termination or expiration of this Agreement, the Company may, within Sixty days from the effective date of such termination, remove from the Licensed Area any structures and installations erected and any movables placed thereon by the Company. Any structures, installations and movables not so removed within the said period shall become the property of the Government without charge.

17. FORCE MAJEURE:

- (a) Failure on the part of the Company to comply with any of the terms and conditions hereof (except the obligations to make payment of monies to the Government) shall not be grounds for cancellation or give the Government any claim for damages in so far as such failure arises from force majeure, the Company having taken all appropriate precautions, due care and reasonable alternative measures with the objective of avoiding such failure and of carrying out its obligations hereunder. The Company shall take all reasonable measures to remove such inability to fulfil the obligations hereunder with the minimum of delay.
- (b) For purposes of this paragraph force majeure includes acts of God, war, insurrection, earthquake, storm, flood or other adverse weather condition but shall not include any event caused by a failure to observe good mining industry practice or by the negligence of the Company or any of its employees or contractors.
- (c) The Company shall notify the Secretary within twenty-four hours of an event of Force Majeure affecting its ability to fulfil the terms and conditions hereof.
- (d) The period of this Agreement shall be extended for a period of time equal to the period or periods during which the Company was affected by conditions set forth in sub-paragraph (b) of this paragraph, but not to exceed six months in the aggregate.

18. FOREIGN EXCHANGE:

- (a) Subject to sub-paragraph (b) of this paragraph the Company shall, during the term of this Agreement and so long as it does not derive any revenue from its operations hereunder, finance such operations in the following manner:
- (i) By converting to Ghana currency through authorised dealers such amount of foreign currency as will be sufficient to cover the Company's operating expenses required to be paid in Ghana currency including any payments to the Government and third parties provided that the terms of any loans obtained abroad shall be in conformity with current international, commercial and monetary conditions and that prior notice of such loans and advances shall be furnished to the Bank of Ghana.
- (ii) By directly purchasing and/or hiring abroad as is necessary for conducting the prospecting programme with its foreign currency funds and importing to and/or using in Ghana freely and without restrictions such machinery equipment materials and services of any nature whatsoever as will be required by the Company for its operations hereunder.
- (b) The Company may be required to pay all its rentals and other licensing fees to the Government in dollars or other freely convertible currency, or such currencies as shall be specified by the Bank of Ghana.
- (c) All conversions of currency shall be made at the prevailing official rates of exchange.

19. PRODUCTION AGREEMENT:

If upon the expiration of this Agreement the Company shall have carried out its obligations hereunder to the satisfaction of the Government and shall have successfully established to the Government that the development of a mine from ore and reserves established within the Licensed Area is economically and financially feasible, then the Government shall grant to the Company the first option to (i) acquire a licence for the purposes of mining in the Licensed Area, and (ii) participate in a mining Project in the Licensed Area subject to negotiation with the Government of satisfactory terms for such licence and participation.

20. NOTICES:

- (a) Any application, notice, consent, approval, direction, or instruction hereunder shall be in writing and shall be served by hand or by registered mail. Delivery by hand shall be deemed to be effective when made, and delivery by registered mail shall be deemed to be effective at such time as it would in the ordinary course of registered mail be delivered to the addressee.

Until changed by appropriate notice, the Company's address in Ghana is its registered office as set forth above and the addresses of the Government officials are as follows:-

- (i) The PNDC Secretary, Ministry of Lands and Natural Resources, P.O. Box M. 212, Accra.
- (ii) The Chief Inspector of Mines, Mines Department, P.O. Box 254, Takoradi.
- (iii) The Director of Geological Survey, Geological Survey Department, P.O. Box M.80 Accra.
- (iv) The Chief Executive, Minerals Commission, P.O. Box M. 248, Accra.
- (v) The Chief Survey Officer, Survey Department, P.O. Box 191, Accra.
- (vi) The Governor of the Bank of Ghana, Bank of Ghana, P.O. Box 2674, Accra.

(c) Any information or material supplied by the Company to the Government pursuant to the provisions of this Agreement shall be treated by the Government, its officers and agents as confidential and shall not be revealed to third parties except with the consent of the Company (which consent shall not be unreasonably withheld) for a period of 12 months with respect to technical information and 36 months with respect to financial information from the date of submission of such information. The Government and persons authorised by the Government may nevertheless use any such information received from the Company for the purpose of preparing and publishing general reports on

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- (b) The Company shall leave the part of the Licensed Area surrendered and everything thereon in safe condition. The Company shall take all reasonable measures to restore the surface of such part of the Licensed Area surrendered and all structures thereon not the property of the Company to their original condition. In the event that the Company fails to do so, the Chief Inspector of Mines shall make such part and everything thereon safe at the expense of the Company.

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- (b) A further extension may be granted in accordance with the provisions of the law.

14. RE-ENTRY BY GOVERNMENT:

If the operations and activities of the Company in accordance with the prospecting programme shall cease in the Licensed Area before the same have been completed and if such cessation shall be due entirely to the fault of the Company, the Government may, upon giving the notice and following the procedure required in paragraph 15 below, re-enter the Licensed Area and take possession of all buildings, erections, plants and materials thereon without compensation to the Company (such right of entry not to prejudice any additional remedy of the Government), and thereupon the Agreement shall terminate.

15. TERMINATION BY THE GOVERNMENT:

- (a) The Government may, subject to the provisions of this paragraph, terminate this Agreement if any of the following events shall occur:
- the Company shall fail to make any of the payments described in this Agreement on the payment date; or
 - the Company shall contravene or fail to comply with any other condition of this Agreement; or
 - the Company shall become insolvent or commit any act of bankruptcy or enter into any agreement or composition with its creditors or take advantage of any law for the benefit of debtors or go into liquidation, whether compulsory or voluntary, except for the purposes of reconstruction or amalgamation; or
 - the Company knowingly submits any false statement to the Government in connection with this Agreement.
- (b) If and whenever the Government decides to terminate this Agreement pursuant to clauses (i) and (ii) of the preceding sub-paragraph, the Government shall give the Company notice specifying the particular contravention or failure and permit the Company to remedy the same within twenty-one days of such notice or such longer period as the Secretary may specify in such notice as reasonable in the circumstances.
- (c) If the Company shall fail to remedy an event specified in clauses (i) and (ii) of sub-paragraph (a) of this paragraph within the stated period, or an event specified in clauses (iii) and (v) of the said sub-paragraph shall occur, the Government may by notice to the Company terminate this Agreement.

- (d) Upon termination of this Agreement by the Government every right of the Company hereunder shall cease (save as specifically otherwise provided hereunder) but subject nevertheless and without prejudice to any obligation or liability imposed or incurred under this Agreement or applicable law prior to the effective date of termination.
- (e) No delay or omission or course of dealing by the Government shall impair any of its rights hereunder or be construed to be waiver of an event specified in sub-paragraph (a) of this paragraph or an acquiescence therein.

16. ASSETS ON TERMINATION OR EXPIRATION:

- (a) Upon the termination or expiration of this Agreement, the Company may, within Sixty days from the effective date of such termination, remove from the Licensed Area any structures and installations erected and any movables placed thereon by the Company. Any structures, installations and movables not so removed within the said period shall become the property of the Government without charge.

17. FORCE MAJEURE:

- (a) Failure on the part of the Company to comply with any of the terms and conditions hereof (except the obligations to make payment of monies to the Government) shall not be grounds for cancellation or give the Government any claim for damages in so far as such failure arises from force majeure, the Company having taken all appropriate precautions, due care and reasonable alternative measures with the objective of avoiding such failure and of carrying out its obligations hereunder. The Company shall take all reasonable measures to remove such inability to fulfil the obligations hereunder with the minimum of delay.
- (b) For purposes of this paragraph force majeure includes acts of God, war, insurrection, earthquake, storm, flood or other adverse weather condition but shall not include any event caused by a failure to observe good mining industry practice or by the negligence of the Company or any of its employees or contractors.
- (c) The Company shall notify the Secretary within twenty-four hours of an event of Force Majeure affecting its ability to fulfil the terms and conditions hereof.
- (d) The period of this Agreement shall be extended for a period of time equal to the period or periods during which the Company was affected by conditions set forth in sub-paragraph (b) of this paragraph, but not to exceed six months in the aggregate.

18. FOREIGN EXCHANGE:

- (a) Subject to sub-paragraph (b) of this paragraph the Company shall, during the term of this Agreement and so long as it does not derive any revenue from its operations hereunder, finance such operations in the following manner:
- (i) By converting to Ghana currency through authorised dealers such amount of foreign currency as will be sufficient to cover the Company's operating expenses required to be paid in Ghana currency including any payments to the Government and third parties provided that the terms of any loans obtained abroad shall be in conformity with current international commercial and monetary conditions and that prior notice of such loans and advances shall be furnished to the Bank of Ghana.
- (ii) By directly purchasing and/or hiring abroad as is necessary for conducting the prospecting programme with its foreign currency funds and importing to and/or using in Ghana freely and without restrictions such machinery equipment materials and services of any nature whatsoever as will be required by the Company for its operations hereunder.
- (b) The Company may be required to pay all its rentals and other licensing fees to the Government in Dollars or other freely convertible currency, or such currencies as shall be specified by the Bank of Ghana.
- (c) All conversions of currency shall be made at the prevailing official rates of exchange.

19. PRODUCTION AGREEMENT:

If upon the expiration of this Agreement the Company shall have earned out its obligations hereunder to the satisfaction of the Government and shall have successfully established to the Government that the development of a mine from ore and reserves established within the Licensed Area is economically and financially feasible, then the Government shall grant to the Company the first option to (i) acquire a licence for the purposes of mining in the Licensed Area, and (ii) participate in a mining Project in the Licensed Area subject to negotiation with the Government of satisfactory terms for such licence and participation.

20. NOTICES:

- (a) Any application, notice, consent, approval, direction, or instruction hereunder shall be in writing and shall be served by hand or by registered mail. Delivery by hand shall be deemed to be effective when made, and delivery by registered mail shall be deemed to be effective at such time as it would in the ordinary course of registered mail be delivered to the addressee.

Until changed by appropriate notice, the Company's address in Ghana is its registered office as set forth above and the addresses of the Government officials are as follows:-

- (i) The PNDC Secretary, Ministry of Lands and Natural Resources, P.O. Box M 212, Accra
- (ii) The Chief Inspector of Mines, Mines Department, P.O. Box 254, Takoradi.
- (iii) The Director of Geological Survey, Geological Survey Department, P.O. Box M 50 Accra
- (iv) The Chief Executive, Minerals Commission, P.O. Box M 246, Accra
- (v) The Chief Survey Officer, Survey Department, P.O. Box 191, Accra
- (vi) The Governor of the Bank of Ghana, Bank of Ghana, P.O. Box 2674, Accra.

21. POLITICAL ACTIVITY:

Neither the Company nor any of its employees who is not a citizen of Ghana shall engage in political activity of any kind in Ghana nor make a donation, gift or grant to any political party or for political purposes in Ghana.

22. ARBITRATION:

Subject to the provisions hereof, if at any time during the continuance of this Agreement or after its termination any question or dispute shall arise regarding the rights, powers, duties and liabilities of the parties hereto such question or dispute shall be referred to arbitration in accordance with the Arbitration Act, 1961 (Act 38). In such event, there shall be two arbitrators, one to be appointed by each party.

23. GOVERNING LAW:

This Agreement shall be governed by, construed and interpreted in accordance with the laws of Ghana.

24. HEADINGS:

The headings given to paragraphs in this Agreement are for convenience only and shall not affect the construction or interpretation of this Agreement.

THE SCHEDULE ABOVE REFERRED TO:-

All that piece of land containing an approximate area of 33.55 square kilometres lying to the south and east of Kanyankav mine and east by the 5° 00 N parrallel and longitude 2° 00 W respectively in the Wassu-west district of the Western Region of the Republic of Ghana which piece of land is more particularly delineated on the plan annexed hereto for the purpose of identification and not of limitation.

IN WITNESS WHEREOF the party hereto of the first part has hereunto set his hand and affixed the Seal of the Ministry of Lands and Natural Resources and the party hereto of the second part has hereunto caused its Common Seal to be affixed the day and year first above written.

SIGNED AND SEALED with the SEAL of The Ministry of Lands and Natural Resources and DELIVERED by the said PNDC Secretary for Lands and Natural Resources for and on behalf of The Government of the Republic of Ghana in the presence of:-

[Signature]
Minerals Commission

[Signature]
MINISTRY OF LANDS & MINERAL RESOURCES
P. O. BOX M. 218
ACCRA

THE COMMON SEAL of the said was affixed to these presents and the same were DELIVERED in the presence of:-

[Signature]
NETAS MINING COMPANY LTD.
Chairman / Managing Director

[Signature]

N. A. Maafo
Netas Co. Ltd.
P. O. Box 14436
Accra.

OATH OF PROOF

I, Richard Kofi Agyemang of Minerals Commission
MAKE OATH and SAY that on the 7th day of March 1990
I was present and saw the PNDC Secretary for Lands and Natural Resources duly execute the Instrument
now produced to me and Marked "A" and that the said Richard Kwame Perera
read and write, Sworn at Accra this 7th day of March 1990
Before Me,.....

[Signature]
REGISTRAR OF LANDS

[Signature]
DEPONENT

WORK PROGRAMME AND ESTIMATED EXPENDITURE FOR
PROSPECTING AND EXPLORATION OF A GOLD CONCESSION
SITUATED AT NSUAEM, WESTERN REGION
(PART OF FIELD SHEET 18)

FOR

NETAS MINING COMPANY LIMITED

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INTRODUCTION

Prospecting and or Exploration programme today have their base, reconnaissance regional geological mapping together with regional and follow-up geochemical and geophysical surveys. As the exploration progresses through various drilling and sampling, areas of potential economic mineralisation are identified. The relationship of this mineralisation to the regional conditions should not be overlooked. A Regional geological mapping is an integral part of any exploration programme. Emphasis should be placed on lithological units and their relationship to stratigraphy, structure etc. Usually, detailed studies of structural conditions are important for understanding the geometry and disposition of the mineralised occurrence and its possible extension or re-occurrence.

A knowledge of the Regional geology in early exploration of an area provides broad guides to the possible mineralisation and during the later stages, to the interpretation of outcrop, underground mapping, drilling data etc. More important among the Regional guides are physiography, mineralogy, petrology, stratigraphy and lithology, fracture patterns, contact zones, folds, faults etc. Many local controls to mineralisation have a Regional expression and can in some cases be predicted from Regional

mapping.

It is also important in early stages of exploration to develop the practical hypothesis of ore genesis to explain the controls to mineralisation.

The exploration geologist thus gather facts to determine the applicability of these hypothesis and these hypothesis could be modified or changed as new information become available.

ACCESSIBILITY

The concession covering a total area of 33.55 square kilometres more or less could be reached by a motorable road which passes through Nsuaem from Agona and also from Nsuaem to the Kanyankaw mine in the North. There are numerous footpaths which link these roads. The concession can therefore be said as easily accessible.

GENERAL GEOLOGY

The concession is part of the main Axim-Konongo goldbelt. Old native workings are known to exist within the concession. These workings will be extensively studied for any indications of gold mineralisation. The main rock types occurring in the concession are the Upper and Lower Birrimian which are known to be the source of gold mineralisation in Ghana. The rocks are composed mainly of metamorphosed lava and pyroclastic rocks for the Upper Birrimian and phyllites, schists, tuffs and greywackes for the Lower Birrimian.

WORK PROGRAMME FOR PROPOSED CONCESSIONSTAGE IRECONNAISSANCE PROSPECTING

Netas Mining Company Limited would carry out a quick reconnaissance prospecting to establish the geological structure of mineralisation in the area. There shall also be petrological and mineralogical studies of the mineralisation and host rocks, as a detailed knowledge of these will be of great importance as the mineral project develops. The native workings and any other prospects identified during literature search and visits to the property would be made safe and clean.

The kind of work during this reconnaissance prospecting stage will include geochemical sampling of streams or rivers draining the area, quick reconnaissance geophysical survey using mainly VLF-EM methods to determine conductive zones. This stage of work is programmed to last for a minimum of four (4) months allowing for weather conditions.

The Company estimates to spend a minimum of 10 Million Cedis at this stage. Netas Organisation already have three sets of four-wheel drive vehicles, some of which will be redeployed for this project. The estimated amount will thus be used for the purchase of simple VLF-EM equipment, lease of other geophysical equipments, labour and consultancy

fees, camping equipments and prospecting aids.

Breakdown of Expenditure is as shown below

(i)	Labour and Consultancy Fees	- C 4,000,000
(ii)	Purchase of simple VLF-EM equipment and lease of other geophysical equipment	- C 3,000,000
(iii)	Camping equipment and prospecting aids	- C 2,000,000
(iv)	Miscellaneous expenditure	- C 1,000,000
	TOTAL	<u>C10,000,000</u> =====

STAGE II

2.1 EXPLORATION REVIEW

An exploration review of the entire concession would be carried out at the completion of the initial geological studies. The studies would include an assessment of the grade and tonnage of potentially economic mineralisation. This review will also consider other major project parameters such as mining methods, beneficiation value of product(s) ie. gold and base metals discovered. A decision would thus be taken to provide the basis for proceeding with more detailed exploration and evaluation studies.

The major geological involvement during this stage is summarised below.

- Detailed mapping of area of potential ore.
- Grade and tonnage potential.
- Amenability to mining.
- Ore body (if any) exploration
- Preliminary ore body evaluation
- Preliminary selection of samples for metallurgical test work.

It is envisaged that this stage would take a minimum of eight (8) months and again allowing for weather working conditions.

An amount of 8 Million Cedis has been budgeted for this stage.

STAGE III

PRELIMINARY FEASIBILITY STUDY

A preliminary feasibility study of the concession will provide a forecast of the proposed mining project as a basis for establishing a budget for the financing required and for a decision to proceed with full engineering technology. The estimates for the mining project will depend largely on available data gathered from the preliminary feasibility studies and will be programmed to reflect prices taking into account inflationary rates in the country. An estimation of this kind could be said to be in the accuracy of $\pm 25\%$ of major economic yardsticks.

(a) Geophysical surveys

A much more detailed geophysical survey on the basis of values obtained from the reconnaissance work would be carried out. This will help to direct other studies such as geochemical, sampling, drilling and assaying to favourable targets thereby reducing unnecessary cost which otherwise would be spent on barren grounds.

Methods to be employed are electrical resistivity, induced polarisation, seismic etc. to map out in addition to lode deposits, alluvial sites.

(b) Diamond Drilling

Diamond drilling on a regular grid pattern would be carried out sequentially to determine sufficiently the continuity of mineralisation and to cover the trends in the deposit. A regular spacing will ensure that the deposit is not over or under valued by concentrating drilling in a particular zone. However, in structurally complex zones, there may be departures from the designed grid. Samples taken from regular grids are more readily amenable to the evaluation of drilling progress by statistical analysis. They also facilitate estimation of ore reserves. Cores obtained from the drilling will be sampled in two-metre interval bearing in mind geologic boundaries. This would considerably reduce the computation required in ore reserve calculation and generally satisfy the requirement for using equal sized samples in statistical analysis. As the drilling progresses, the amount of core sampling would be reduced to the rock types outlined as ore bearing.

(c) Bulk Sampling

Bulk sampling would be carried out for the relationship between ore reserve grade estimated by diamond drilling and the in-situ grade. These samples would provide representative samples for laboratory and or pilot-plant beneficiation test work.

It is estimated that about ten (10) individual samples would be collected and significance test on the differences between the bulk samples and drill core samples could be carried out for correlation and regression analysis. The number of samples to be carried out may be altered depending on the geological data so far gathered on the property.

(d) Sample Preparation

Sample preparation may vary considerably depending on the type of mineralisation in the concession deduced from preceding studies. Manual preparation of samples will be undertaken and the amount of sample to be split at each stage of riffing would be determined. Sample rejects will be sealed in air-tight containers and well kept for later check sampling, assaying and beneficiation test work.

(e) Assaying

Drill cores from the concession would be assayed in an assay laboratory at either the Tarkwa Goldfields Limited or the U.S.T. School of Mines in Tarkwa. On-site facility for small scale or temporary assaying will be established when evidence of significant deposit of economic potential has been established and a project concept formulated.

(f) Check Sampling and Assaying

Routine check assaying would be carried out during the exploration stages and any significant bias detected in

sampling and assaying would be corrected before ore reserve calculations are completed.

(g) Geostatistical Studies

A geostatistical study of the deposits in the concession would be carried out to conveniently divide the ore body into blocks with their respective values. The ore reserves would thus be completely computed.

Allowing for weather conditions, this phase is programmed to last for ten (10) months and 8 Million Cedis is estimated for this stage.

0 ENVIRONMENTAL CONSIDERATIONS

Activities would as much as possible be planned so as to reduce damage done to the environment to the barest minimum. Great care would be taken in the disposal of chemicals used for on-site assaying so not to interfere with surface and groundwater regimes. However, where the environment has been disturbed as a result of any bulk sampling, the land would be reclaimed to appreciable conditions. Provision for 2 Million Cedis has been made towards any reclamation.

0 REPORT WRITING

The last two (2) months of the licence period would be used for writing a comprehensive report for consideration by government. Two (2) Million Cedis is expected to be spent

on this exercise.

CONCLUSION

At each stage of the prospecting/exploration programme, the Company shall carry out a technical and economic evaluation of the project based on results obtained and will decide whether to proceed or abandon the project. In the event that the Company intends to abandon the project based on poor results, the government shall immediately be informed of the Company's intention.

PREPARED BY :

D. Atta-Peters

D. ATTA-PETERS

DEPARTMENT OF GEOLOGY

LEGON - ACCRA

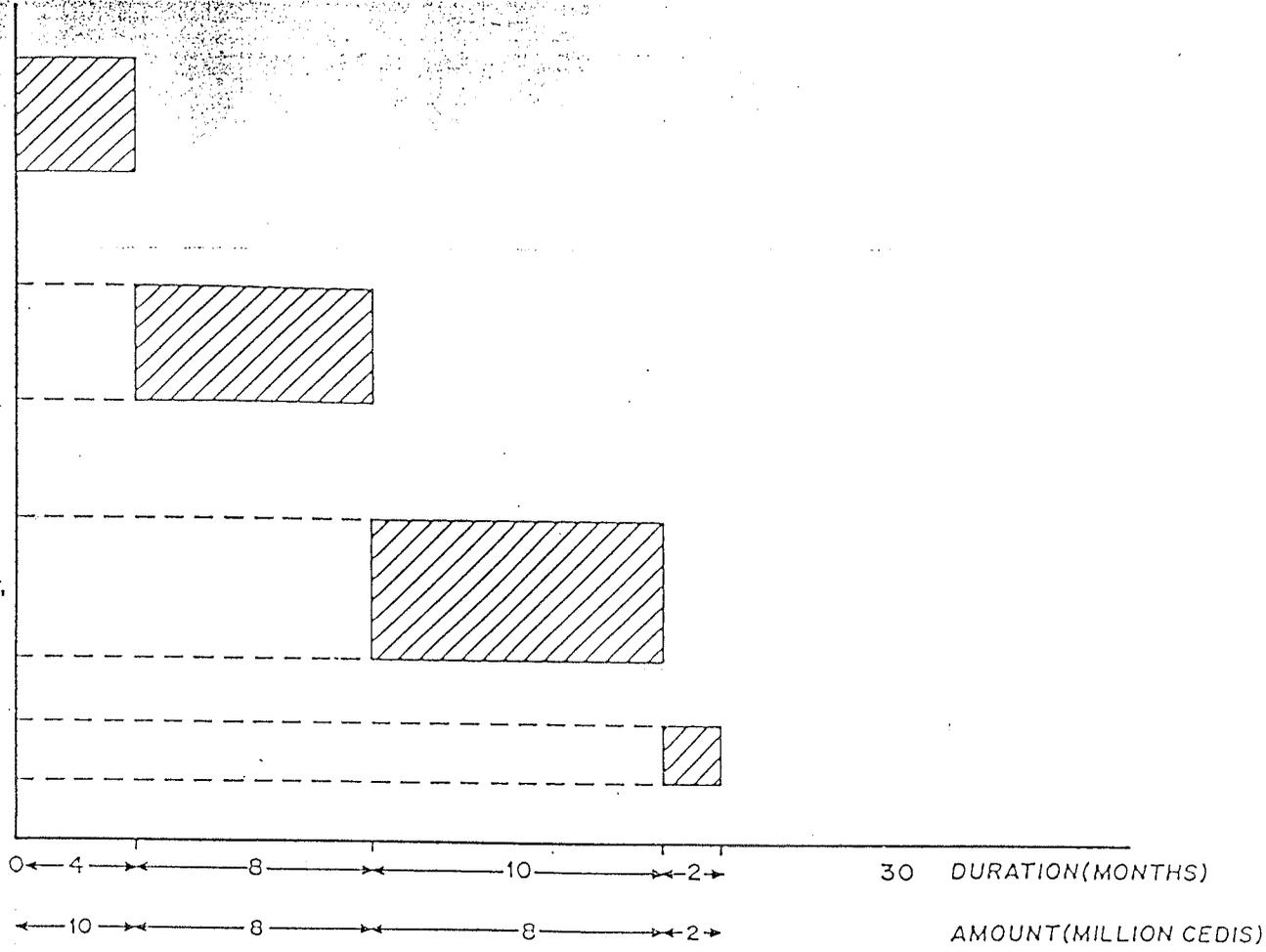
BAR CHART FOR SUMMARY OF ACTIVITIES

ACTIVITIES
STAGE I
 RECONNAISSANCE PROSPECTING
 (GEOCHEMICAL, SAMPLING,
 GEOPHYSICAL, etc.)

STAGE II
 EXPLORATION REVIEW
 (DETAILED MAPPING, ORE
 BODY EXPLORATION, SELECTION
 OF SAMPLES etc.)

STAGE III
 PRELIMINARY FEASIBILITY
 STUDIES
 (DETAILED GEOPHYSICAL SURVEY,
 DIAMOND DRILLING, BULK SAMPLING,
 etc.)

REPORT WRITING



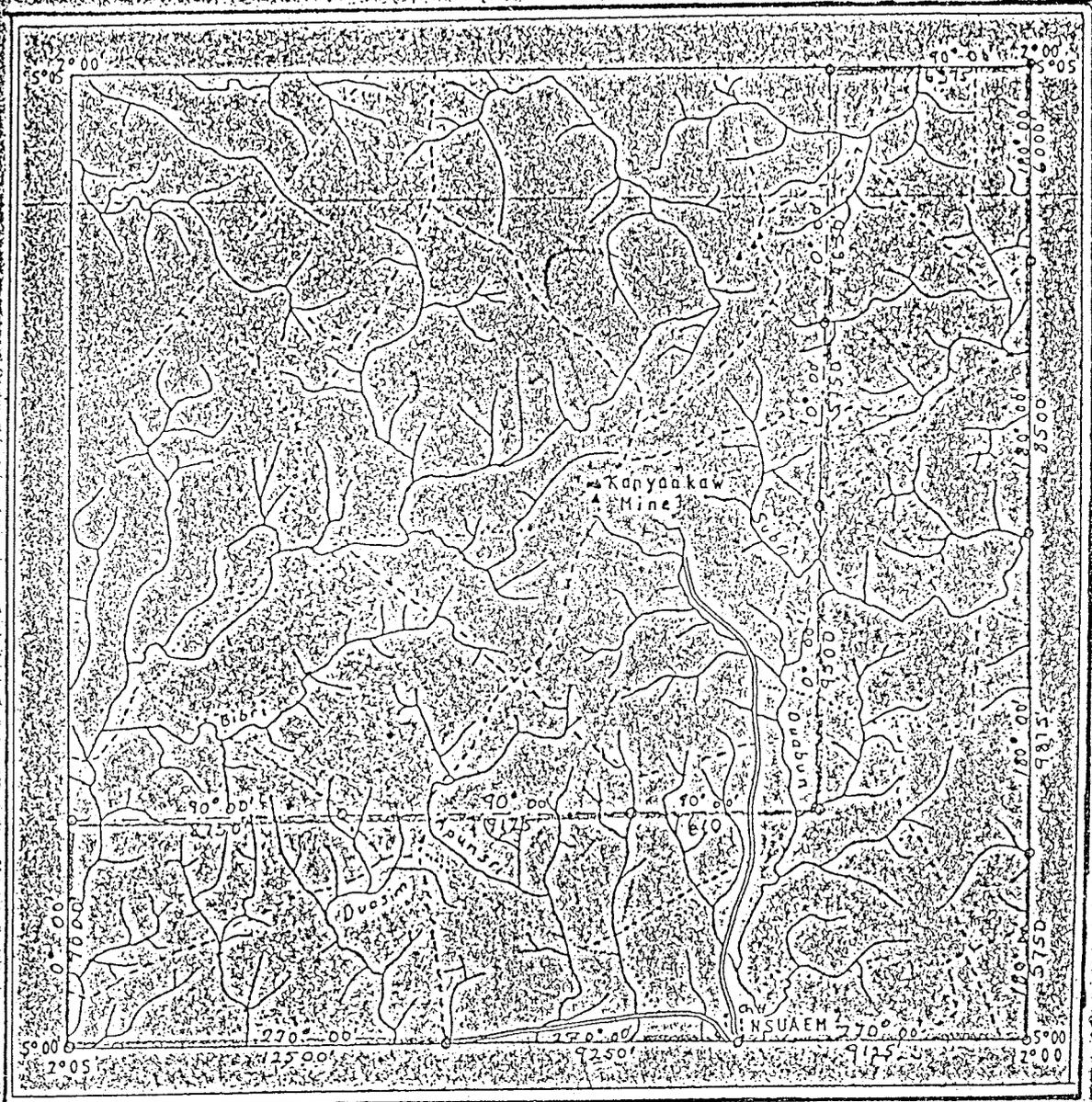
GOLD CONCESSION FOR NETA'S MINING CO. LTD.

SITUATE AT NSUAEM, C/R

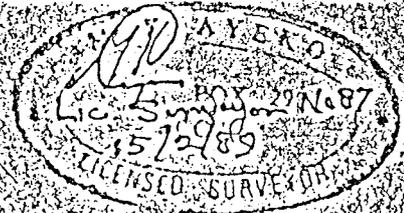
SHAWN EDGED PINK

AREA 13.11 SQMLS OR 33.55 SQKMS

PART OF SHEET 16



SCALE 1:62500



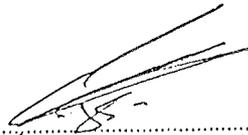
[Handwritten Signature]
DEPARTMENT OF LANDS & MINERAL RESOURCES
P.O. BOX 14, EYE
BCCRA

7-3-90

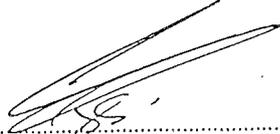
NETAS MINING COMPANY LTD.
[Handwritten Signature]
Chairman / Managing Director

m. D's signature
Special Stamp

This is the Instrument Marked "A" Referred to in the Oath of Richard Kofi Agyemang Sworn
before me, this 16th day of March 1990


REGISTRAR OF LANDS

On the 16th day of March 1990 at 10:00 O'clock
in the FORE noon this Instrument was proved before me by the Oath of the within-named
to have been duly executed by the within-named RICHARD KWAME AGYEMANG


REGISTRAR OF LANDS

Dated this 27th day of March 1990

GOVERNMENT OF GUYANA
AND
NETAS MINING CO. LTD

Prospecting Licence

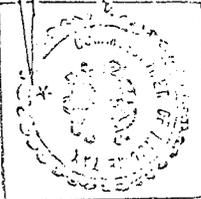
SOLICITOR FOR THE
SUPREME COURT

Term : 2 years (Renewable)
Commencement : 7-3-90
Expiry Date : 6-3-92
Annual Rent : \$15,110.00
File No. : PL.2/99

NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE COMMISSIONER OF LANDS AND MINES.

ON WHICH THE FULL DUTY OF \$10,000.00
BEEN PAID. \$2,071.68

Commissioner of Lands and Mines



SCHEDULE "A"

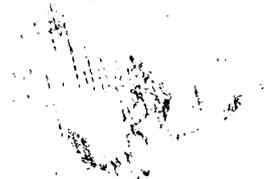
NKWATA (NSUAEM) PROSPECTING LICENCE



IN ACCORDANCE WITH SECTION 120 OF THE LAND ACT 1965 I CERTIFY THAT THE INSTRUMENT IS CHARGED WITH A DEDUCTION OF GH₵ 2000 BEING THE AMOUNT ON WHICH THE TAX HAS BEEN PAID ACCRA 20 05-02-10.



Commissioner of Income Tax



APPENDIX VI
Agreement between Netas Mining Co. Ltd and Canterbury Mining Co. Ltd. concerning
the Nkwanta Concession

MTLO. 11



SUPPLEMENTAL AND AMENDING AGREEMENT TO THE
AYIEM AND ESSERMAN MINERAL PROPERTIES
JOINT VENTURE AGREEMENT

BETWEEN

FOREMOST MINING COMPANY LIMITED

AND

CANTERBURY MINING COMPANY LIMITED

DATED ^{28th}..... June 2007

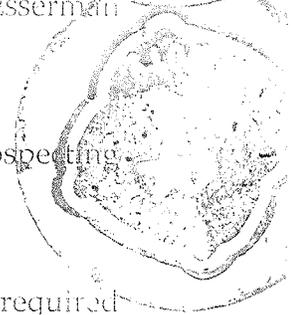
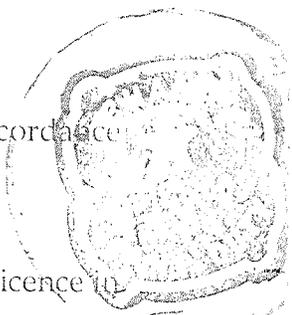
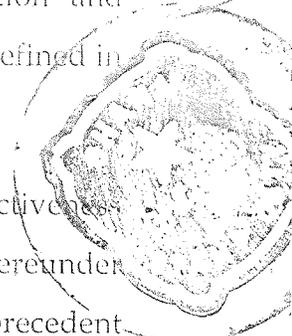
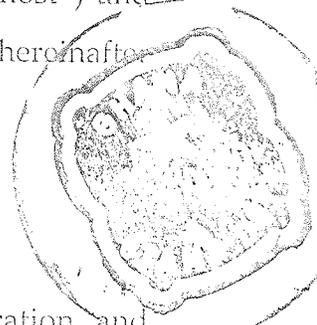
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X
20/11/07

THIS supplemental and amending agreement (the "Supplemental and Amending Agreement") is made this 20th June 2007 to amend the Ayiem and Esserman Mineral Properties Joint Venture Agreement dated 10 March 2005 (the "JV Agreement") as amended by an addendum to the JV Agreement dated 22nd March, 2005 (the "Addendum"), made between Foremost Mining Company Limited ("Foremost") and Canterbury Mining Company Limited ("Canterbury") both Companies hereinafter referred to as (the "Parties").

WHEREAS

1. The Parties entered into the JV Agreement for the joint exploration and development of the Ayiem and Esserman Properties and the Project as defined in the JV Agreement.
2. Pursuant to clause 2 of the JV Agreement the Parties agreed that the effectiveness of the JV Agreement and the carrying out of the Project envisaged thereunder shall be conditional upon the fulfillment of the conditions precedent ("Conditions Precedent") stated in clauses 2.3 to 2.6 of the JV Agreement, including that:
 - i) a joint venture company ("JVC") should be incorporated in accordance with the JV Agreement;
 - ii) Foremost should obtain an extension/renewal of the prospecting licence in respect of the Ayiem and Esserman Properties ("Ayiem and Esserman Prospecting Licence");
 - iii) Foremost should transfer and assign the Ayiem and Esserman Prospecting Licence free of any encumbrances to the JVC.
 - iv) approval of the Minister of Mines of Ghana should be obtained as required under the Minerals and Mining Law to validate the JV Agreement and the



transfer/assignment of the Ayiem and Esserman Prospecting Licence to the JVC.

3. Pursuant to clause 2.7 of the JV Agreement the Parties also agreed that in the event that the conditions precedent specified above were not fulfilled by 31 July 2005 or such later date as Canterbury would specify by notice in writing to Foremost then the JV Agreement should automatically determine and be of no further force or effect.
4. The Parties hereby acknowledge that the Conditions Precedent were not fulfilled by the Parties but that notwithstanding the Parties by mutual agreement had proceeded to implement and act upon the JV Agreement and meet their obligations in accordance with its terms. In this regard the Parties further acknowledge and affirm that Canterbury had been carrying out Work Programme relating to the Project and had also paid or agreed to pay the cash consideration payable to Foremost under the JV Agreement in consideration for the assignment and transfer of the Ayiem and Esserman Properties to the JVC and the acquisition by Canterbury of 87.5% equity interest in the JVC and the Ayiem and Esserman Properties.
5. Pursuant to the Addendum the Parties agreed to amend the provisions of clauses 3.3.5 and 4 of the JV Agreement relating to the equity interest of Foremost by providing that Foremost shall be entitled at all times to receive a royalty of twelve and half percent (12.5%) of any deposit of gold or other minerals discovered on the Ayiem and Esserman Properties (the "Foremost Reserves Royalty").
6. The Parties have now agreed that it is necessary to secure additional capital investments into the Project and for this reason it is necessary and mutually beneficial for the Parties to further amend the JV Agreement in the manner

hereinafter set forth so as to make the Project attractive to third party financiers and investors including investors at any international stock or venture exchange.

7. In furtherance of their common objective to secure additional capital investments into the Project the Parties have mutually renegotiated some of the terms of the JV Agreement in the manner hereinafter set out on the basis that such renegotiated terms shall supercede, override and amend all other provisions in the JV Agreement that shall be contrary to or inconsistent with the renegotiated terms.

NOW THEREFORE in consideration of the mutual promises contained in this Agreement it is hereby agreed as follows:

The provisions contained in the JV Agreement as amended by the provisions of the Addendum shall further be amended and supplemented as follows:

Amendments to Ayiem and Esserman Properties JV Agreement

1. Notwithstanding anything to the contrary contained in the JV Agreement as amended by the Addendum regarding the Conditions Precedent to the effectiveness of the JV Agreement and the carrying out of the Project envisaged thereunder, the Parties hereby acknowledge and affirm to each other that subject only to obtaining the requisite regulatory approval of the Minister responsible for Lands, Forestry and Mines, the JV Agreement as amended by the Addendum shall be legally binding and enforceable between the Parties in accordance with its terms as mutually renegotiated as at the date hereof.
2. Foremost hereby acknowledges and confirms to Canterbury that in consideration of the aggregate sum of Eighty Three Thousand United States Dollars (US\$83,000) paid by Canterbury to Foremost pursuant to section 3.3. of the JV Agreement as amended by the Addendum, the Exploration Costs incurred by Canterbury as at the date thereof and the further commitment and undertaking,

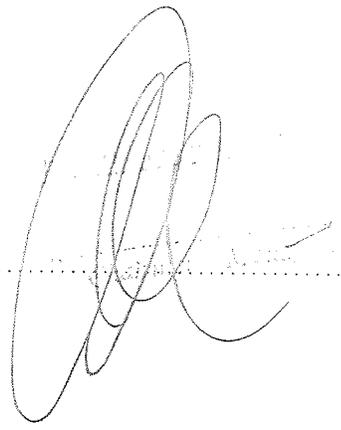
by Canterbury to fund and manage the Exploration Programme under the Project during the term of the PLA or any extension/renewal thereof Canterbury has earned and acquired eighty seven point five percent (87.5%) direct beneficial interest in the Ayiem and Esserman Properties as at the date hereof. Foremost further acknowledges the receipt and sufficiency of the consideration provided by Canterbury for receiving its 87.5% interest in the Ayiem and Esserman Properties.

3. Foremost hereby grants to Canterbury an exclusive and irrevocable right and option to earn and acquire an additional 12.5% direct beneficial interest and thereby enable Canterbury to own up to a 100% direct beneficial interest in the Ayiem and Esserman Properties by making the additional cash payment agreed to be paid to Foremost under clause 4 of this Supplemental and Amending Agreement. Consequently, Foremost agrees to hold the Ayiem and Esserman Properties in trust for the mutual benefit of the JV Parties until the said additional cash payment is made whereby the option is then deemed to be exercised at which time Foremost will assign and transfer the Ayiem and Esserman Properties to Canterbury or any of its subsidiaries or affiliates as directed in writing by Canterbury.
4. The Parties hereby agree that notwithstanding anything to the contrary contained in the JV Agreement as amended by the Addendum and in consideration of the sum of (US\$33,333) agreed to be paid by Canterbury to Foremost as additional cash consideration such payment to be effected on or before the 31st of July 2007 the Foremost Reserves Royalty shall be abolished from the date hereof and converted into or replaced by a production royalty of two and a half percent (2.5%) of the Net Smelter Return ("NSR") from all ores, minerals or similar products mined or removed from the Ayiem and Esserman Properties and sold by Canterbury or any successor company as set forth in Schedule "A" attached hereto and made a part hereof (the "NSR Royalty").

5. Canterbury hereby agrees and undertakes to ensure that any successor or transferee to whom the Ayiem and Esserman Properties may be assigned or transferred shall be legally bound by the provisions of Clause 4 above regarding the NSR Royalty.
6. Foremost hereby grants to Canterbury the exclusive and irrevocable right and option exercisable by Canterbury of any time to purchase the entirety of the NSR Royalty for a fixed total sum of Two Million United States Dollars (US\$2,000,000.) (the "NSR Royalty Purchase Price").
7. This Supplemental and Amending Agreement shall constitute an amendment to the JV Agreement and the Addendum and is hereby deemed to be incorporated into the JV Agreement by reference. Consequently, any provisions of the JV Agreement or the Addendum that are contrary to or inconsistent with the provisions of this Supplemental and Amending Agreement shall to the extent of such contradiction or inconsistency be deemed to be amended by this Supplemental and Amending Agreement.
8. For the avoidance of doubt it is hereby agreed that except for the amendment hereby effected, all other provisions of the JV Agreement as amended by the Addendum shall remain binding and in force between the Parties.
9. The recitals to this Agreement shall form a part of and are an integral part of this Supplemental and Amending Agreement.
10. The JV Agreement as amended by this Supplemental and Amending Agreement shall not be further amended or waived except by a written instrument signed by the JV Parties and duly approved by their respective corporate resolutions.

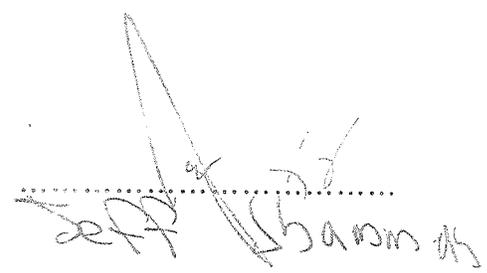
Dated In Accra This 28th Day of June 2007

Signed by Foremost Mining Company Limited)
by the Managing Director, Adolf Tagoe)
In the presence of:

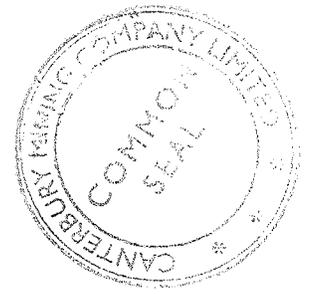


Name: ANDREWS TEIRAH
Position: DIRECTOR/SECRETARY

Signed by Canterbury Mining Company Limited)
by the Managing Director, Jeffrey Shammah)
In the presence of:



Name: HENRY SOWAH
Position: GEOLOGIST



Schedule "A" Above Referred To

NET SMELTER RETURNS ROYALTY

1. Calculation of Net Smelter Returns

- a) When and after a dore or other form of concentrate is shipped to a refinery and there has been a final settlement by the refinery with respect to such delivery, the "Net Smelter Returns" shall mean:
- i. with respect to gold and silver contained in such dore or other form of concentrate, the value of gold and silver (stated in U.S. Dollars per troy ounce of gold and silver) multiplied by the number of ounces of gold and silver produced, less Allowable Deductions, and
 - ii. with respect to all other minerals, the value of other minerals (stated in U.S. Dollars), less Allowable Deductions.

The value of gold and silver shall be respectively the numerical average of the closing prices of gold and silver as reported on the London P.M. fix for gold or the London daily fix for silver; or, if that should cease to be reported, then as reported by another mutually agreed substitute index) at the conclusion of each day of said month in which final settlement occurred. The value of all other minerals contained in such dore or other form of concentrate shall be the numerical average of the closing prices of such minerals as reported on the London Metal Exchange at the conclusion of each day of said month; such average price shall then be used to value all such minerals (other than gold and silver) during such month. In all other cases, "Net Smelter Returns" shall be as defined in subsection (b) of this Section 1.

- b) Except as provided in subsection (a) of this Section 1, "Net Smelter Returns" means:
- i. in the case of ores, minerals, or other products which are sold by payor in the crude state, the amount received by payor from the purchaser of the ores, minerals or other products, less Allowable Deductions;

- ii. in the case of ores, minerals, or other products which are processed by or for the account of payor to produce concentrates or other saleable intermediate products to be smelted or otherwise further processed by or for the account of payor, an amount equal to the market value of the concentrates or other saleable intermediate products (f.o.b.) the plant producing the concentrates or other saleable intermediate products (which amount shall be deemed to have been received by payor), less Allowable Deductions; and
 - iii. in all other cases, the amount received by payor from the purchaser of the ores, minerals, or other products, less Allowable Deductions.
- c) "Allowable Deductions" means, to the extent borne or to be borne by payor;
- i. charges for treatment in the smelting and refining process (including handling), processing, interest and provisions settlement fees, sampling, assaying and representation costs, penalties and other processor deductions);
 - ii. actual costs of transportation (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation) of concentrates or other products from the area to the place of sale; and
 - iii. sales, use, ad valorem, severance, net products of mine and any other tax on or measured by mineral production.
- d) advance sales, forward sales, hedging, and other speculative sales arrangements shall be solely for the account, benefit and risk of payor, and shall not inure to the benefits of payee.

2. Commingling

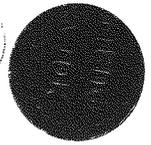
Payor may commingle ores from the Ayiem and Esserman Properties with ores from other properties, either before or after concentration or beneficiation, so long as all data necessary to determine the weight and grade, both of the ores removed from the Ayiem and Esserman Properties and the ores with which they are commingled, are obtained and preserved by payor or in accordance with sound mining and metallurgical practices. Payor shall then use that weight and grade data to allocate any value received between the Ayiem and Esserman Properties and the other properties from which the other commingled ores were removed. All such weight, grade and allocation calculations shall be done in accordance with sound mining and metallurgical practices.

3. Payment

Net Smelter Returns shall be calculated for each calendar quarter in which Net Smelter Returns are realized, and payment as due hereunder shall be made within thirty days following the end of each such calendar quarter. Such payments shall be accompanied by a statement summarizing the computation of Net Smelter Returns and copies of all relevant settlement sheets. Such quarterly payments are provisional and subject to adjustment within ninety days following the end of each calendar year. Within ninety days after the end of each calendar year, payor shall deliver to payee an unaudited statement of royalties paid to payor during the year and the calculation thereof. All year-end statements shall be deemed true and correct six months after presentation, unless within that period payee delivers notice of objection to payee specifying with particularity the grounds for each objection. Payee shall be entitled, at payee's expense, to an annual independent audit of the statement by a certified public accountant of recognized standing and acceptable to payor, only if payee delivers a demand for an audit to payor within four months after presentation of the related year-end statement. If such audit determines that payor has underpaid payee by greater than 10% during such annual period, after any adjustment, then payor shall reimburse payee for its reasonable audit costs.

APPENDIX VII
Agreement between Foremost Mining Co. Ltd and Canterbury Mining Co. Ltd.
concerning the Ayiem Concession

MTLO.5



SUPPLEMENTAL AND AMENDING AGREEMENT TO THE
NKWANTA MINERAL PROPERTY
JOINT VENTURE AGREEMENT

BETWEEN

NETAS MINING COMPANY LIMITED

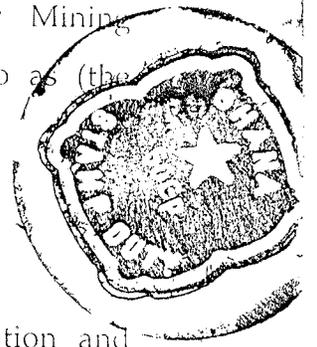
AND

CANTERBURY MINING COMPANY LIMITED

DATED ^{28th} June 2007

L.B. 1809/08

THIS supplemental and amending agreement (the "Supplemental and Amending Agreement") is made this ^{28th} June 2007 to amend the Nkwanta Mineral Property Joint Venture Agreement dated 10 March 2005 (the "JV Agreement") as amended by an addendum to the JV Agreement dated 22nd March, 2005 (the "Addendum"), made between Netas Mining Company Limited ("NETAS") and Canterbury Mining Company Limited ("Canterbury") both Companies hereinafter referred to as (the "Parties").



WHEREAS

1. The Parties entered into the JV Agreement for the joint exploration and development of the Nkwanta Property and the Project as defined in the JV Agreement.
2. Pursuant to clause 2 of the JV Agreement the Parties agreed that the effectiveness of the JV Agreement and the carrying out of the Project envisaged thereunder shall be conditional upon the fulfillment of the conditions precedent ("Conditions Precedent") stated in clauses 2.3 to 2.6 of the JV Agreement, including that:
 - i) a joint venture company ("JVC") should be incorporated in accordance with the JV Agreement;
 - ii) Netas should obtain an extension/renewal of the prospecting licence in respect of the Nkwanta Property ("Nkwanta Prospecting Licence");
 - iii) Netas should transfer and assign the Nkwanta Prospecting Licence free of any encumbrances to the JVC.
 - iv) approval of the Minister of Mines of Ghana should be obtained as required under the Minerals and Mining Law to validate the JV Agreement and the transfer/assignment of the Nkwanta Prospecting Licence to the JVC.

3. Pursuant to clause 2.7 of the JV Agreement the Parties also agreed that in the event that the conditions precedent specified above were not fulfilled by 31 July 2005 or such later date as Canterbury would specify by notice in writing to Netas then the JV Agreement should automatically determine and be of no further force or effect.
4. The Parties hereby acknowledge that the Conditions Precedent were not fulfilled by the Parties but that notwithstanding the Parties by mutual agreement had proceeded to implement and act upon the JV Agreement and meet their obligations in accordance with its terms. In this regard the Parties further acknowledge and affirm that Canterbury had been carrying out Work Programme relating to the Project and had also paid or agreed to pay the cash consideration payable to Netas under the JV Agreement in consideration for the assignment and transfer of the Nkwanta Property to the JVC and the acquisition by Canterbury of 87.5% equity interest in the JVC and the Nkwanta Property.
5. Pursuant to the Addendum the Parties agreed to amend the provisions of clauses 3.3.5 and 4 of the JV Agreement relating to the equity interest of Netas by providing that Netas shall be entitled at all times to receive a royalty of twelve and half percent (12.5%) of any deposit of gold or other minerals discovered on the Nkwanta Property (the "Netas Reserves Royalty").
6. The Parties have now agreed that it is necessary to secure additional capital investments into the Project and for this reason it is necessary and mutually beneficial for the Parties to further amend the JV Agreement in the manner hereinafter set forth so as to make the Project attractive to third party financiers and investors including investors at any international stock or venture exchange.

7. In furtherance of their common objective to secure additional capital investments into the Project the Parties have mutually renegotiated some of the terms of the JV Agreement in the manner hereinafter set out on the basis that such renegotiated terms shall supercede, override and amend all other provisions in the JV Agreement that shall be contrary to or inconsistent with the renegotiated terms.

NOW THEREFORE in consideration of the mutual promises contained in this Agreement it is hereby agreed as follows:

The provisions contained in the JV Agreement as amended by the provisions of the Addendum shall further be amended and supplemented as follows:

Amendments to Netas Property JV Agreement

1. Notwithstanding anything to the contrary contained in the JV Agreement as amended by the Addendum regarding the Conditions Precedent to the effectiveness of the JV Agreement and the carrying out of the Project envisaged thereunder, the Parties hereby acknowledge and affirm to each other that subject only to obtaining the requisite regulatory approval of the Minister responsible for Lands, Forestry and Mines, the JV Agreement as amended by the Addendum shall be legally binding and enforceable between the Parties in accordance with its terms as mutually renegotiated as at the date hereof.
2. Netas hereby acknowledges and confirms to Canterbury that in consideration of the aggregate sum of Eighty Three Thousand United States Dollars (US\$83,000) paid by Canterbury to Netas pursuant to section 3.3. of the JV Agreement as amended by the Addendum, the Exploration Costs incurred by Canterbury as at the date thereof and the further commitment and undertaking by Canterbury to fund and manage the Exploration Programme under the Project during the term of the PLA or any extension/renewal thereof Canterbury has earned and acquired eighty seven point five percent (87.5%) direct beneficial interest in the

Nkwanta Property as at the date hereof. Netas further acknowledges the receipt and sufficiency of the consideration provided by Canterbury for receiving its 87.5% interest in the Nkwanta Property.

3. Netas hereby grants to Canterbury an exclusive and irrevocable right and option to earn and acquire an additional 12.5% direct beneficial interest and thereby enable Canterbury to own up to a 100% direct beneficial interest in the Nkwanta Property by making the additional cash payment agreed to be paid to Netas under clause 4 of this Supplemental and Amending Agreement. Consequently, Netas agrees to hold the Nkwanta Property in trust for the mutual benefit of the JV Parties until the said additional cash payment is made whereby the option is then deemed to be exercised at which time Netas will assign and transfer the Nkwanta Property to Canterbury or any of its subsidiaries or affiliates as directed in writing by Canterbury.
4. The Parties hereby agree that notwithstanding anything to the contrary contained in the JV Agreement as amended by the Addendum and in consideration of the sum of (US\$33,333) agreed to be paid by Canterbury to Netas as additional cash consideration such payment to be effected on or before the 31st of July 2007 the Netas Reserves Royalty shall be abolished from the date hereof and converted into or replaced by a production royalty of two and a half percent (2.5%) of the Net Smelter Return ("NSR") from all ores, minerals or similar products mined or removed from the Nkwanta Property and sold by Canterbury or any successor company as set forth in **Schedule "A"** attached hereto and made a part hereof (the "NSR Royalty").
5. Canterbury hereby agrees and undertakes to ensure that any successor or transferee to whom the Nkwanta Property may be assigned or transferred shall be legally bound by the provisions of Clause 4 above regarding the NSR Royalty.

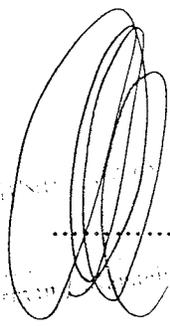
6. Netas hereby grants to Canterbury the exclusive and irrevocable right and option exercisable by Canterbury of any time to purchase the entirety of the NSR Royalty for a fixed total sum of Two Million United States Dollars (US\$2,000,000) (the "NSR Royalty Purchase Price").
7. This Supplemental and Amending Agreement shall constitute an amendment to the JV Agreement and the Addendum and is hereby deemed to be incorporated into the JV Agreement by reference. Consequently, any provisions of the JV Agreement or the Addendum that are contrary to or inconsistent with the provisions of this Supplemental and Amending Agreement shall to the extent of such contradiction or inconsistency be deemed to be amended by this Supplemental and Amending Agreement.
8. For the avoidance of doubt it is hereby agreed that except for the amendment hereby effected, all other provisions of the JV Agreement as amended by the Addendum shall remain binding and in force between the Parties.
9. The recitals to this Agreement shall form a part of and are an integral part of this Supplemental and Amending Agreement.
10. The JV Agreement as amended by this Supplemental and Amending Agreement shall not be further amended or waived except by written instrument signed by the JV Parties and duly approved by their respective corporate resolutions.

Dated In Accra This 28th Day of June 2007

Signed by Netas Mining Company Limited
 by the Managing Director, Adolf Tagoe
 In the presence of:

NETAS MINING COMPANY LTD.

 Managing Director



Name: ANDREWS TEITENHOF
 Position: DIRECTOR / SECRETARY

Signed by Canterbury Mining Company Limited)
by the Managing Director, Jeffrey Shammah)
In the presence of:

Name: *Henry* *Schwartz*

Position: *GEOLOGIST*

Jeffrey Shammah



Schedule "A" Above Referred To

NET SMELTER RETURNS ROYALTY

1. Calculation of Net Smelter Returns
 - a) When and after a dore or other form of concentrate is shipped to a refinery and there has been a final settlement by the refinery with respect to such delivery, the "Net Smelter Returns" shall mean:
 - i. with respect to gold and silver contained in such dore or other form of concentrate, the value of gold and silver (stated in U.S. Dollars per troy ounce of gold and silver) multiplied by the number of ounces of gold and silver produced, less Allowable Deductions, and
 - ii. with respect to all other minerals, the value of other minerals (stated in U.S. Dollars), less Allowable Deductions.

The value of gold and silver shall be respectively the numerical average of the closing prices of gold and silver as reported on the London P.M. fix for gold or the London daily fix for silver; or, if that should cease to be reported, then as reported by another mutually agreed substitute index) at the conclusion of each day of said month in which final settlement occurred. The value of all other minerals contained in such dore or other form of concentrate shall be the numerical average of the closing prices of such minerals as reported on the London Metal Exchange at the conclusion of each day of said month; such average price shall then be used to value all such minerals (other than gold and silver) during such month. In all other cases, "Net Smelter Returns" shall be as defined in subsection (b) of this Section 1.

- b) Except as provided in subsection (a) of this Section 1, "Net Smelter Returns" means:
 - i. in the case of ores, minerals, or other products which are sold by payor in the crude state, the amount received by payor from the

purchaser of the ores, minerals of other products, less Allowable Deductions;

- ii. in the case of ores, minerals, or other products which are processed by or for the account of payor to produce concentrates or other saleable intermediate products to be smelted or otherwise further processed by or for the account of payor, an amount equal to the market value of the concentrates or other saleable intermediate products (f.o.b.) the plant producing the concentrates or other saleable intermediate products (which amount shall be deemed to have been received by payor), less Allowable Deductions; and
- iii. in all other cases, the amount received by payor from the purchaser of the ores, minerals, or other products, less Allowable Deductions.

c) "Allowable Deductions" means, to the extent borne or to be borne by payor;

- i. charges for treatment in the smelting and refining process (including handling), processing, interest and provisions settlement fees, sampling, assaying and representation costs, penalties and other processor deductions);
- ii. actual costs of transportation (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation) of concentrates or other products from the area to the place of sale; and
- iii. sales, use, ad valorem, severance, net products of mine and any other tax on or measured by mineral production.

d) advance sales, forward sales, hedging, and other speculative sales arrangements shall be solely for the account, benefit and risk of payor, and shall not inure to the benefits of payee.

2. Commingling

Payor may commingle ores from the Nkwanta Property with ores from other properties, either before or after concentration or beneficiation, so long as all data necessary to determine the weight and grade, both of the ores removed from the Nkwanta Property and the ores with which they are commingled, are obtained and preserved by payor or in accordance with sound mining and metallurgical practices. Payor shall then use that weight and grade data to allocate any value received between the Nkwanta Property and the other properties from which the other commingled ores were removed. All such weight, grade and allocation calculations shall be done in accordance with sound mining and metallurgical practices.

3. Payment

Net Smelter Returns shall be calculated for each calendar quarter in which Net Smelter Returns are realized, and payment as due hereunder shall be made within thirty days following the end of each such calendar quarter. Such payments shall be accompanied by a statement summarizing the computation of Net Smelter Returns and copies of all relevant settlement sheets. Such quarterly payments are provisional and subject to adjustment within ninety days following the end of each calendar year. Within ninety days after the end of each calendar year, payor shall deliver to payee an unaudited statement of royalties paid to payor during the year and the calculation thereof. All year-end statements shall be deemed true and correct six months after presentation, unless within that period payee delivers notice of objection to payee specifying with particularity the grounds for each objection. Payee shall be entitled, at payee's expense, to an annual independent audit of the statement by a certified public accountant of recognized standing and acceptable to payor, only if payee delivers a demand for an audit to payor within four months after presentation of the related year-end statement. If such audit determines that payor has underpaid payee by greater than 10% during such annual period, after any adjustment, then payor shall reimburse payee for its reasonable audit costs.

APPENDIX VIII
Assay Results of Check Sampling Programs (Geologica – April 2010)



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HENRY SOWAH

CASTLE PEAK MINING

PMB 116

AIRPORT, ACCRA

GHANA

Lab Ref T0016784

Client Ref **835**

Project *

Cost Code

Status Final

Received 27/04/10

Reported 11/05/10

Samples 24

First Sample 1095124

Last Sample 1095123

Pages 4

Copy

Notes

Authorised by

On behalf of:

Laboratory Manager

Pieter De Villiers

The results in the following analytical report pertain to this laboratory for preparation and/or analysis as requested by CASTLE PEAK MINING.

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Directors: D. Gouvernayre (Managing), N.K. Omaboe, R.A. Markus, D. Gartmann



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Lab Ref T0016784
 Client Ref **835**
 Project *
 Reported 11/05/10
 Status Final
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ANALYTICAL REPORT

Scheme	FAA505	FAA505			ARE145	ARE145
Units	PPM	PPM			PPB	PPB
Detection Limit	0.01	0.01			2	2
Upper Limit	1000	1000			10000	10000
	Au	Au(R)			Au	Au(R)
1095124	0.01	--	--	--	--	--
1095101	0.08	0.06	--	--	--	--
1095102	24.6	--	--	--	--	--
1095103	0.14	--	--	--	--	--
1095104	0.07	--	--	--	--	--
1095105	1.72	--	--	--	--	--
1095106	0.18	--	--	--	--	--
1095107	0.14	--	--	--	--	--
1095108	0.35	0.33	--	--	--	--
1095114	0.68	--	--	--	--	--
1095115	0.05	--	--	--	--	--
1095109	0.03	--	--	--	34	--
1095110	0.03	0.03	--	--	62	--
1095111	0.01	--	--	--	47	--
1095112	<0.01	--	--	--	76	--
1095113	<0.01	--	--	--	11	--
1095116	0.03	--	--	--	29	--
1095117	0.02	--	--	--	54	--
1095118	<0.01	--	--	--	288	--
1095119	0.07	--	--	--	289	--
1095120	0.03	--	--	--	181	170
1095121	0.03	--	--	--	5	--
1095122	0.08	--	--	--	66	--
1095123	0.42	--	--	--	730	--

- not analysed / -- element not determined / I.S. insufficient sample / L.N.R. listed not received

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ANALYTICAL REPORT

Scheme	ARE155	ARE155
Units	PPM	PPM
Detection Limit	0.01	0.01
Upper Limit	100	100
	Au	Au(R)
1095124	--	--
1095101	--	--
1095102	--	--
1095103	--	--
1095104	--	--
1095105	--	--
1095106	--	--
1095107	--	--
1095108	0.76	0.78
1095114	0.70	--
1095115	<0.01	--
1095109	--	--
1095110	--	--
1095111	--	--
1095112	--	--
1095113	--	--
1095116	--	--
1095117	--	--
1095118	--	--
1095119	--	--
1095120	--	--
1095121	--	--
1095122	--	--
1095123	--	--

- not analysed / -- element not determined / I.S. insufficient sample / L.N.R. listed not received

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Appendix

FAA505 : Au Pt Pd, FAS, AAS, 50g
FAG505 : Au, FAS, Gravimetric, 50g
ARE145 : Aqua Regia, DIBK, 50g, ppb
ARE155 : Aqua Regia, DIBK, AAS, 50g

- not analysed / -- element not determined / I.S. insufficient sample / L.N.R. listed not received

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**APPENDIX IX
Photos**



Author's visit of artisanal workings on Nkwanta concession with Henry Sowah, Exploration Manager and technician of Castle Peak Mining.



Typical white quartz vein sampled from outcropping reef on Nkwanta concession.



Small artisanal workings (shafts, pits and underground drifts \approx 10-20 meters) at Apankrah artisanal mine site on Nkwanta concession.



Main trench (10 X 30 meters) at Nkwanta concession, Apankrah artisanal mine site.



Author's field notebook and sample booklet at sampling site.



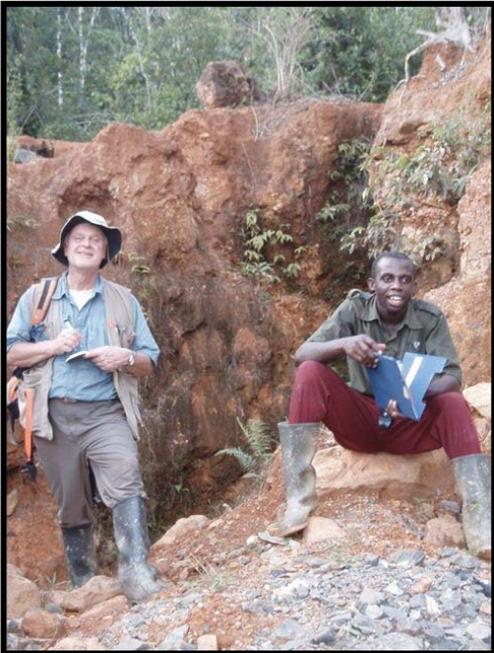
Artisanal five mile minesite at eastern boundary of Ayiem concession.



Visit of the five (5) mile artisanal minesite at the eastern boundary of Ayiem concession.



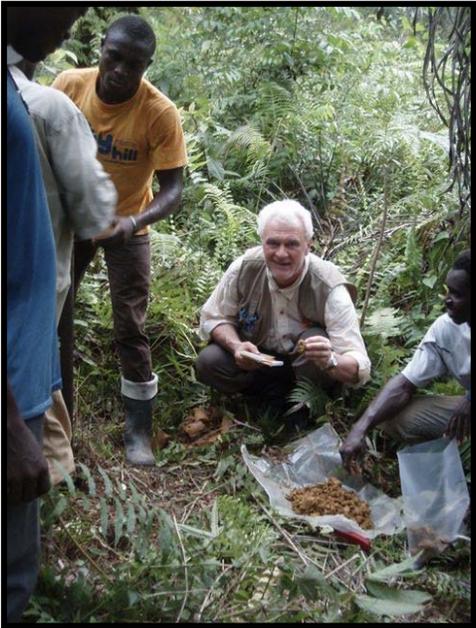
B-Horizon (40-50 cm deep) soil sampling by local field crew, Henry Sowah, Exploration Manager and A.J. Beauregard of Geologica Inc.



Rock sample taken by A.J. Beauregard, Geologica Inc. at Apankrah trench (Nkwanta concession) with Castle Peak technician.



Overall view of Apankrah Mine site and artisanal ore treatment facilities.



Geologica's soil samples duplicates collected by A.J. Beauregard (author) and Castle Peak Field Crew.



Deposit of 24 check samples at SGS Tarkwa Laboratory by one of the authors (A.J. Beauregard of Geologica Inc.) and lab visit with Henry Sowah, Exploration Manager of Castle Peak Mining.