

MINING LEASE
(Michigan)

This Mining Lease ("**Agreement**"), effective as of September 30, 2010, is made between A.M. CHESBROUGH, LLC, a Michigan limited liability company ("**Owner**"), of 3 Savory Street, Newburyport, MA 01950, and ORVANA RESOURCES US CORP., a Michigan corporation, of 320 Bay Street, Suite 1530, Toronto, Ontario, Canada M5H 4A6 ("**Orvana**") (each, a "**party**", and collectively, the "**parties**"), based on the following facts:

A. Owner represents that it is the owner of those certain ore and mineral rights as reserved in that certain indenture dated September 3, 1903 and recorded at Liber 14, Page 505 in those lands described in **Exhibit A** attached to this Agreement ("**Property**").

B. Orvana desires to obtain and Owner is willing to grant a lease of the Property for the purpose of exploring for and mining all copper, silver and other metallic and nonmetallic ores and minerals of any nature whatsoever, except for hydrocarbons.

C. This Agreement is exempt from the payment of real estate transfer taxes under MCLA §§ 207.505(e) and 207.526(e) because this Agreement evidences the transfer of a leasehold interest. This Agreement is also exempt from the payment of real estate transfer taxes under MCLA §§ 207.505(n) and 207.526(p) because this Agreement is given to evidence the transfer of mineral rights and interests.

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) and other valuable consideration paid to Owner, the receipt and sufficiency of which are acknowledged by Owner, and further in consideration of the mutual covenants and conditions contained in this Agreement, Owner and Orvana agree:

1. **Lease.** Owner leases the Property to Orvana and Orvana hires the Property from Owner, together with all existing easements, appurtenances, rights of access and other rights incident to the Property. Such lease is intended to include, without limitation, the sole and exclusive right to explore, sample, and test the Property for ores and minerals, to mine from the Property all copper, silver and other metalliferous and nonmetalliferous ores and minerals of any nature whatsoever, with the exception of hydrocarbons, and to use and occupy the surface of said Property for such purposes, to the full extent that Owner has the right to use and occupy said surface.

2. **Term.** The lease shall be for a term ("**Term**") commencing on the date of this Agreement ("**Commencement Date**"), and ending at midnight on the thirtieth (30th) anniversary of the Commencement Date, or such later date as Orvana is no longer actively engaged in development, mining, or related operations on or in connection with the Property, unless sooner terminated as provided in this Agreement. Orvana shall be deemed to be "actively engaged" in such operations so long as such operations, other than exploration, do not cease for a period of more than one hundred eighty (180) consecutive days, excluding days during which performance is excused pursuant to the paragraph entitled "Force Majeure".

3. **Exclusive Possession and Occupancy; Surface Rights.** Orvana shall have the exclusive possession and occupancy of the Property during the term of this Agreement for the purposes set forth in paragraph 1 above which shall be primary to Owner's rights with respect to any retained interest in hydrocarbons. Orvana agrees to cooperate with Owner and accommodate activities by or on behalf of Owner to explore, sample, test or extract hydrocarbons from the Property, so long as such activity does not unreasonably interfere with or prevent the exercise of rights granted to Orvana by Owner under the terms of this Agreement. Orvana acknowledges that parties other than Owner currently own the surface rights appurtenant to the Property, subject to the right of Owner as the mineral interest owner to make such limited use of the surface as is provided by Owner's title and applicable law. Hence, Orvana shall, to the extent required by law, be responsible to negotiate with and pay to the surface owner(s) any damages or use fees occasioned by Orvana's use of the surface. Owner agrees to cooperate with Orvana, at Orvana's expense, in asserting Orvana's rights under this Agreement to do so. Owner shall be responsible to pay any damages or use fees resulting from activities relating to hydrocarbons.

4. **Title.**

(a) Owner warrants that it is in possession of the Property, that it has the right to enter into this Agreement, that it knows of no other person asserting any interest in the Property, and that the Property is free from all liens and encumbrances, except liens for property taxes not yet due and payable. Owner further warrants to Orvana the quiet enjoyment of the Property and the right to explore, develop, and mine the same.

(b) In the event any third party files a legal action against Owner asserting a superior marketable title to the Property, Orvana agrees that it will, at its expense with counsel of its choice, undertake a good faith defense of Owner's claim to good and marketable title to the Property, excepting hydrocarbons, in the name of the owner in the court where the action was filed. The parties agree that any appeal of a trial court decision adverse to Owner may be undertaken by Orvana in its sole discretion, subject to the terms of this provision. Owner agrees to cooperate with Orvana and execute such documents as are necessary in Orvana's judgment to its undertaking of such good faith marketable title defense and that Orvana shall be entitled to immediately credit all such defense expense against any future royalty payments owed to owner hereunder as follows: Reimbursement shall be the lesser of \$20,000 per year for each of five (5) successive years for a maximum total of \$100,000 or an amount equal to 15% of the net annual

royalty paid after subtraction of the annual rent for each such year in which such expenses are incurred.

(c) Each party shall provide the other with recording data with respect to deeds, easements, or other documents which bear upon title to the Property, to the extent such data is within such party's possession or control, and shall provide copies of all such documents, together with all title opinions, in a party's possession or control. Each party shall, upon the other's request, record any such document (but absent mutual consent, not this Agreement) in its possession or control which has not been recorded. Each party shall deliver to the other copies of all abstracts in a party's possession or control pertaining to the Property. Upon the termination of this Agreement each party shall return all such abstracts to the other.

(d) At Orvana's request, Owner shall make reasonable efforts (including, without limitation, pursuing judicial proceedings if reasonably necessary) to remove any cloud from or cure any defect in its good and marketable title to the Property excepting hydrocarbons. If Owner fails or refuses to take any such action, Orvana may take such action in Owner's name. Owner shall cooperate with Orvana in any such action taken. Orvana may recover from Owner or from any payments thereafter to become due to Owner under this Agreement all costs and expenses (including reasonable attorney's fees) incurred by Orvana in any such action in accordance with the reimbursement provision of paragraph 4(b) above. If Owner makes such reasonable efforts to remove any such cloud from or cure any such defect in its good and marketable title to the Property, but is unsuccessful in doing so, and Orvana desires to make further efforts to remove any such cloud from or cure any such defect in Owner's good and marketable title to the Property, then Orvana may take such action in Owner's name, but at Orvana's expense. Owner shall cooperate with Orvana in any such action taken.

(e) Orvana may, at its own expense, examine Owner's title to the Property. If Orvana or Orvana's counsel determines that Owner does not have good and marketable record title to the Property, Orvana may, at any time within one hundred eighty (180) days from the date of this Agreement, disapprove Owner's title as to the whole or any part of the Property. If Orvana disapproves title as to any part of the Property, it shall have the right, but not the obligation, to disapprove title as to the whole of the Property. If Orvana disapproves title as to the whole of the Property, and Owner does not, within sixty (60) days thereafter, cure the defects which cause the title not to be good and marketable record title, then at Orvana's election this Agreement shall terminate and Orvana shall recover from Owner all amounts paid to Owner under this Agreement. Orvana's failure to disapprove title to any of the Property within one hundred eighty (180) days from the date of this Agreement shall be deemed a waiver of Orvana's right to terminate this Agreement for failure of Owner's title to any of the Property.

5. Rent and Royalty.

(a) During the Term, Orvana shall pay rent to Owner on the following dates and in the following amounts:

| Date | Amount |
|------------|----------|
| On signing | \$12,500 |

| | |
|---|----------|
| Commencement Date through 4th Anniversaries of Comm. Date | \$ 9,000 |
| 5th through 10th Anniversaries of Commencement Date | \$11,250 |
| 11th through 15th Anniversaries of Commencement Date | \$15,000 |
| 16th through 20th Anniversaries of Commencement Date | \$18,750 |
| 21st through 25th Anniversaries of Commencement Date | \$22,500 |
| 26th and later Anniversaries of Commencement Date | \$26,250 |

These rent payments shall be in lieu of any obligation on the part of Orvana, express or implied, to explore, develop, mine, or perform any work on or in connection with the Property.

(b) Orvana shall pay a royalty to Owner on those terms and conditions set forth in the Net Smelter Return Royalty Agreement ("NSRRA") between Owner and Orvana dated the date of this Agreement, all the terms and conditions of which are incorporated by reference in this Agreement. The rent payments made by Orvana to Owner under the preceding **subparagraph (a)** shall be applied as a credit against any royalties payable by Orvana under the NSRRA with respect to the one-year period following the date the rent payment is due.

(c) Orvana shall make all payments due Owner under this Agreement by check, which shall be made payable to Owner and shall be transmitted to Owner at its address as provided in this Agreement. Alternatively, Orvana may request and Owner shall supply wire transfer instructions, and Orvana may elect to make all payments due Owner under this Agreement by wire transfer of collected funds. All payments due Owner under this Agreement shall be made without notice or demand.

(d) Each installment of rent shall be payable in advance when due, without any setoff or deduction, except as may be expressly provided by this Agreement. Orvana's obligation to pay rent that is accrued and unpaid under this Agreement shall survive the expiration or termination of the Term.

(e) Rent not paid when due shall bear interest at the Prime Rate (as defined in the NSRRA) plus two percent (2%) until paid. If at any time during the term of this Agreement it appears that one or more third parties may have a claim of ownership in the Property, the minerals lying in or under the Property, or royalties or other payments with respect to the Property, Orvana may withhold from any rent and royalty payments which would otherwise be due to Owner under the terms of this Agreement an amount sufficient to satisfy the claims. Orvana shall deposit the amount withheld in escrow, giving notice of the deposit to Owner, the amount to remain in escrow until the controversy is resolved by decision of a court or arbitrators, or otherwise. Owner shall pay when due and before delinquent all taxes required by this Agreement to be paid by Owner and all mortgage and other payments required to preserve Owner's interest in the Property. Owner shall furnish Orvana with receipts or other evidence of such payments. If at any time during the term of this Agreement it appears that any one or more third parties may have a claim against the Property by reason of any tax, mortgage, or other lien created by the action or inaction of Owner, Orvana may pay any past due payments and shall be subrogated to all rights of the holder against Owner. If Orvana makes any payments to one or more third parties as a result of any claim of ownership, tax, mortgage, or lien, either by way of contract, settlement, compromise, pursuant to final judgment of any court of record, or

otherwise, Orvana may recover from Owner or from rent and royalty payments thereafter to become due to Owner under this Agreement the amount of any payment and all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Orvana in connection with the claim of ownership, tax, mortgage, or lien.

6. **Operations.**

(a) During the term of this Agreement, Orvana shall have free and unrestricted access to the Property, to the full extent that Owner has the right to use and occupy said surface, and shall have the right (i) to explore, develop, and mine the Property, and to extract, remove, and sell or otherwise dispose of for its own account any and all ores, minerals, or other products, except hydrocarbons (ii) to remove ores, air, water, waste, and materials from the Property or from other property by means of underground or surface operations on or in the Property or on or in other property, (iii) to deposit ores, water, waste, tailings, and materials from the Property or other property on or in the Property, and to use any part of the Property for waste dumps and tailings disposal areas, (iv) to conduct on or in the Property general mining, treatment, processing, and related operations respecting the Property and other property, and to use any part of the Property for any purposes incident to such operations, and (v) to construct, use, and maintain on the Property and adjacent surface such roads, improvements, structures, equipment, personal property, and fixtures as may be necessary or convenient for the conduct of Orvana's operations.

(b) Orvana shall conduct all operations on the Property in a good and workmanlike manner and in compliance with all applicable federal, state, and local laws, regulations and permits pertaining to such operations, including environmental protection, reclamation, and bonding, and sealing and reporting of exploration drill holes. After mining operations have terminated on the Property, future reclamation of the affected portions of the Property shall be conducted in accordance with the reclamation plan adopted by Orvana and approved by the governmental agencies having jurisdiction over such matters. All decisions with respect to exploration, development, and mining of the Property and the selling of ores, minerals, concentrates, or other products from the Property, including all decisions regarding the commencement, suspension, resumption, or termination of any operations, shall be made by Orvana in its sole discretion. Orvana may sell ores, minerals, or other products, and may stockpile ores, minerals, or other products for any length of time before selling the same. Such stockpiling, however, shall not be deemed to extend the term of the lease and shall be subject to the provisions of the paragraph entitled "Removal of Property and Access Following Termination" below, regarding removal of stockpiled ores at the termination of the lease. There are no covenants or agreements regarding these matters other than those expressly set forth in this Agreement.

(c) Orvana may use any mining method, whether or not the method is in general use at the time of the execution of this Agreement, including without limitation, underground mining (including methods, such as block caving, which result in the disturbance or subsidence of the surface), surface mining (including strip mining, open

pit mining, and dredging), and in situ mining (including solution mining, leaching, gasification, and liquification).

(d) Orvana shall comply in all material respects with all laws and regulations governing its operations on the Property. If this Agreement is inconsistent with or contrary to any law or regulation, the law or regulation shall control and this Agreement shall be deemed to be modified accordingly.

(e) Orvana may use existing roads, if any, on the surface adjacent to the Property, and may construct and maintain at its own expense any additional roads reasonably necessary or convenient for the conduct of Orvana's operations on the Property or on other property.

(f) To the extent that Owner may do so, Owner grants to Orvana the free use of water from the Property for use in Orvana's operations.

7. **Easements.** If requested by Orvana from time to time during the Term, Owner shall execute, acknowledge, and deliver to Orvana one or more instruments granting to Orvana, without cost to Orvana, easements upon, over, or through the Property or upon, over, or through other property owned by Owner, for the construction, maintenance, use, and removal of pipe lines, telephone lines, electrical power or transmission lines, roads, railroads, tramways, flumes, ditches, shafts, drifts, tunnels, and other facilities necessary or convenient for Orvana's operations on or in the Property or on or in other Property.

8. **No Implied Covenants.** No covenants or conditions relating to the exploration, development, mining, or related operations on or in connection with the Property, or the timing thereof, other than those expressly provided in this Agreement, shall be implied. After commencing any exploration, development, mining, or related operations on or in connection with the Property, Orvana may in its sole discretion curtail or cease such operations so long as it continues to make any payments due Owner under this Agreement.

9. **Protection from Liens and Damages.** Orvana shall keep the Property free of liens for labor performed or materials or merchandise furnished for use on the Property under this Agreement, and shall hold Owner harmless from all costs, loss, or damage which may result from any work or operations of Orvana or its possession or occupancy of the Property.

10. **Taxes.** Owner shall pay all property taxes and special assessments first levied against the Property or due and payable or both prior to the date of this Agreement. Orvana shall pay or reimburse Owner for all property taxes and installments of special assessments levied against the Property during the term of this Agreement to the extent that such property taxes and installments of special assessments are assessed or levied solely upon the mineral estate in the Property or are based upon Orvana's operations. In the case of property taxes and installments of special assessments billed or billable in the calendar year in which this Agreement commences, and for the calendar year in which this Agreement ends, there shall be an apportionment, Orvana to bear the proportion of such property taxes and installments of special assessments upon the Property applicable to the part of the calendar year included under this Agreement, and Owner to

bear the balance of the such property taxes and installments of special assessments, on the assumption those such property taxes and installments of special assessments are payable for the calendar year in which they are billed. Orvana shall pay all such property taxes and installments of special assessments levied during the term of this Agreement against all improvements, structures, equipment, personal property, and fixtures placed upon the Property by Orvana and all taxes levied against Orvana as an employer of labor. All taxes and installments of special assessments shall be paid when due and before delinquent, but neither Owner nor Orvana shall be under any obligation to pay any tax or installment of special assessments so long as the same is being contested in good faith and by appropriate legal proceedings and the nonpayment thereof does not adversely affect Owner or any right, title, or interest of Owner or Orvana in or to the Property.

11. Insurance; Indemnity.

(a) Orvana shall carry at all times during the term of this Agreement worker's compensation and other insurance required by state laws and mining regulations, or Orvana may self-insure as to such matters if it qualifies as a self-insurer under the appropriate laws and regulations.

(b) Orvana shall indemnify Owner against and hold it harmless from any and all liabilities, obligations, damages, penalties, claims, costs and expenses, including, without limitation, reasonable attorneys' fees (collectively, "**Damages**"), paid or incurred as a result of or in connection with (i) Orvana's use or occupancy of the Property, (ii) any breach by Orvana, any subtenant, or any of their agents, contractors, employees, customers, invitees, or licensees, of any covenant or condition of this Lease, or (iii) the carelessness, negligence or improper conduct of Orvana, any subtenant, or any of their agents, contractors, employees, customers, invitees, or licensees. If any action or proceeding is brought against Owner by reason of any such claim, Orvana, upon written notice from Owner, will, at Orvana's expense, resist or defend such action or proceeding by counsel approved by Owner in writing, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Orvana shall have no liability to indemnify or hold harmless Owner for any Damages arising in whole or in part from the willful misconduct or negligent acts or omissions of Owner, or any of its agents, contractors, employees, invitees or licensees.

12. Condemnation. If all or any part of the Property is taken or condemned by a governmental authority, or shall be conveyed by Owner to a governmental authority under a threat of such taking or condemnation, the rights and obligations of Owner and Orvana with respect to such taking or condemnation shall be as provided in this Paragraph. If so much of the Property is so taken, condemned or conveyed, that the Property is, in Orvana's sole discretion, rendered unsuitable for its use, then Orvana may elect by notice to Owner to terminate this Agreement as of the date of such taking, condemnation or conveyance, and all rent shall be prorated as of such date. If Orvana does not elect to terminate this Agreement as permitted by the previous sentence, or if only part of the Property is taken, condemned or conveyed, and the Property, in Orvana's sole discretion, remains suitable for its use, this Agreement shall remain in effect. In any such event (whether or not this Agreement is terminated), Owner and Orvana shall

each have the right to prosecute for and to receive such separate awards and portions of lump sum awards as may be allocated to their respective interests in the Property under applicable law as a consequence of any such condemnation. Specifically, Owner and Orvana intend that Owner shall be entitled to recover that portion of the condemnation award or payment in lieu of condemnation attributable to the value of Owner's interest in the Property, and Orvana shall be entitled to recover that portion of the condemnation award or payment in lieu of condemnation attributable to the value of Orvana's leasehold interest in the Property, improvements to and personal property on or adjacent to the Property, lost profits and business interruption. If the condemning authority does not make separate awards and allocations as provided in the preceding sentence, then the allocations based on the principles set forth in this paragraph shall be determined by agreement of the parties, or failing agreement, by a determination of the court in which the condemnation judgment is entered, or alternatively by binding arbitration as provided in the paragraph below entitled "Arbitration."

13. **Inspection.** Owner or Owner's authorized representative may enter on the Property at any reasonable time for the purpose of inspection, but shall enter at Owner's own risk and so as not to hinder unreasonably the operations of Orvana. Owner shall indemnify and hold Orvana harmless from any costs, loss, or damage arising from the willful or negligent act or omission of Owner or Owner's representatives on the Property.

14. **Data.**

(a) Upon the execution of this Agreement, Owner shall deliver to Orvana all drill cores, geological, geophysical, environmental, and engineering data and maps, land surveys, logs of drill holes, results of assaying and sampling, and similar data concerning the Property (or copies thereof) which are in Owner's possession or control.

(b) Owner makes no representation or warranty as to the accuracy or completeness of any such data or information provided by Owner to Orvana, and shall not be liable on account of any use by Orvana or any other person of any such data or information.

(c) During the term of this Agreement Orvana shall (i) make available for inspection by Owner all factual geological and geophysical data and maps (not including interpretive data), logs of drill holes, and results of assaying and sampling pertaining to the Property which Orvana has obtained as a result of its exploration work under this Agreement and which are then in Orvana's possession or control, and (ii) upon Owner's request, provide Owner with copies of any portion of the geological and geophysical data and maps (not including interpretive data), logs of drill holes, and results of assaying and sampling designated by Owner.

(d) Upon the surrender or other termination of this Agreement, Orvana shall, within sixty (60) days after termination, (i) return to Owner all drill core and original data delivered by Owner to Orvana which are then in Orvana's possession or control, and (ii) make available for inspection by Owner all factual geological and geophysical data and maps (not including interpretive data), logs of drill holes, and results of assaying and

sampling pertaining to the Property which Orvana has obtained as a result of its exploration work under this Agreement and which are then in Orvana's possession or control. Upon Owner's request made within sixty (60) days after termination of this Agreement, Orvana shall provide Owner with the drill core data designated by Owner and with copies of any portion of the geological and geophysical data and maps (not including interpretive data), logs of drill holes, and results of assaying and sampling designated by Owner.

(e) Orvana makes no representation or warranty as to the accuracy or completeness of any such data or information provided by Orvana to Owner, and shall not be liable on account of any use by Owner or any other person of any such data or information. Orvana shall not be liable for the loss or destruction of any drill core, so long as Orvana exercises reasonable efforts to maintain the same, and gives Owner at least fifteen (15) days advance written notice of any intention to destroy or dispose of the same, and the opportunity to take delivery of the same, at Owner's expense.

15. **Confidentiality.**

(a) Owner agrees to treat and hold as confidential all information and data provided to the Owner under the terms of this Agreement ("**Confidential Information**"). Owner further agrees that it will not, without the express written consent of Orvana, disclose or provide any person access to any Confidential Information, provided that the Owner may provide Confidential Information to its agents, representatives and affiliates that have a bona fide need to know such information, provided further that any such recipient of Confidential Information first agrees to treat such Confidential Information as provided for in this paragraph entitled "Confidentiality".

(b) In the event that Owner or any such agent, representative or affiliate, or any of their respective employees, officers or directors becomes legally compelled to disclose any such Confidential Information, Owner agrees to provide Orvana with prompt written notice of such requirement so that Orvana may seek a protective order or other remedy or waive compliance with this paragraph entitled "Confidentiality".

(c) In the event that such protective order or other remedy is not obtained, or Orvana waives compliance with this paragraph entitled "Confidentiality", Owner agrees to, and shall cause its agents, representatives and affiliates and their respective employees, officers and directors to furnish only that portion of such Confidential Information which it is legally required to provide and exercise its commercially reasonable efforts to obtain assurances that confidential treatment will be accorded all such Confidential Information.

(d) Owner agrees and acknowledges that remedies at law for any breach of its obligations under this paragraph entitled "Confidentiality" may be inadequate and that, in addition thereto, Orvana shall be entitled to seek equitable relief, including injunction and specific performance, in the event of any such breach.

(e) A party shall not disclose any geological, engineering or other data to any third party without disclosing the existence and nature of any disclaimers which accompany such data.

16. **Publicity.** Except as required by applicable laws, ordinances and/or regulations, or as the result of legal process, neither party shall issue any press release or public statement mentioning the name of the other party without the other party's prior written consent following the review of the proposed release by all parties for technical accuracy. Such consent shall not be unreasonably withheld or delayed.

17. **Orvana's Default; Owner's Remedies.** If Orvana shall fail to perform any of the covenants or conditions which Orvana is required to observe and perform under this Agreement for a period of thirty (30) days following the date Owner gives Orvana written notice of such failure (except that if such default cannot reasonably be cured within such thirty (30) day period, this period shall be extended for a reasonable additional time, provided that Orvana commences to cure such default within the thirty (30) day period and proceeds diligently thereafter to effect such cure), then Owner may, but need not, treat the occurrence of any one or more of the foregoing events as a breach of this Agreement, and may then, at its option, without any notice or demand of any kind to Orvana or any other person, except as otherwise expressly provided in this Agreement, in addition to any other remedies it may have:

- (a) proceed to cure such default, and Orvana shall pay the cost of such cure to Owner, upon demand;
- (b) recover from Orvana Owner's actual damages suffered as a result of such default; or
- (c) have specific performance of this Agreement.

Any default claimed with respect to the payment of money may be cured by the deposit in escrow of the amount in controversy (not including interest or claimed consequential, special, exemplary, or punitive damages) and giving of notice of the deposit to Owner, the amount to remain in escrow until the controversy is resolved by decision of a court or arbitrators, or otherwise.

18. **Termination and Surrender.**

(a) If Orvana defaults as provided in the paragraph entitled "Orvana's Default; Owner's Remedies", and fails to timely cure the default as provided in that paragraph, then Owner may elect to terminate this Agreement by written notice to Orvana, in which event all rights, liabilities, and obligations of Orvana under this Agreement shall terminate, except that (i) Orvana shall have the rights provided in the paragraph entitled "Removal of Property and Access Following Termination", and (ii) Orvana shall have those liabilities existing on the date of termination, the obligations provided in the paragraph entitled "Data", and liability for payments under the paragraph entitled "Rent and Royalty" then due or, in the case of production royalties, then accrued.

Notwithstanding the foregoing, if Orvana by notice to Owner disputes the existence of a default, then this Agreement shall not terminate unless Orvana does not initiate and diligently pursue steps to correct the default within thirty (30) days after the existence of a default has been determined by decision of a court or arbitrators, or otherwise.

(b) Subject to the right of Owner to terminate this Agreement as provided in the foregoing **subparagraph (a)**, a controversy between the parties to this Agreement shall not interrupt operations under this Agreement. In the event of any controversy, Orvana may continue operations under this Agreement and shall make the payments provided for in this Agreement notwithstanding the existence of the controversy. Upon the resolution of the controversy, such payments or restitutions shall be made as required by the terms of the decision of the court or arbitrators, or otherwise.

(c) Orvana may at any time terminate this Agreement as to the Property by giving Owner at least sixty (60) days advance written notice of such termination; provided, however, Orvana may not exercise its right of termination after a third party has filed a legal action against Owner asserting a superior marketable title to the Property that initiates Orvana's obligation under paragraph 4(b) to defend such legal action on Owner's behalf until a decision has been issued by the court in which the action was filed and no appeal of an adverse decision is taken by Orvana on Owner's behalf as provided in paragraph 4(b). Upon the effective date specified in such notice of termination, all rights, liabilities, and obligations of Orvana under this Agreement with respect to the Property as to which this Agreement is terminated shall terminate, except that (i) Orvana shall have the rights and obligations provided in the paragraph entitled "Removal of Property and Access Following Termination", and (ii) Orvana shall have those liabilities existing on the date of termination, the obligations provided in the paragraph entitled "Data", the obligations provided in the paragraph entitled "Post-Reclamation Termination", and liability for payments under the paragraph entitled "Rent and Royalty" then due or, in the case of production royalties, then accrued.

(d) No later than thirty (30) days following any termination of this Agreement, in whole or in part, Orvana shall sign and deliver to the Register of Deeds for the County where the Property is located a document in recordable form evidencing such termination and surrender.

19. **Removal of Property and Access Following Termination.** For a period of six (6) months after the termination of this Agreement Orvana shall have the right to remove from the Property all broken or stockpiled ore, minerals, or other products (subject to the payment of royalties provided for in this Agreement), dumps, tailings, and residue, and all structures, equipment, personal property, and fixtures owned by Orvana or erected or placed on or in the Property by Orvana (collectively, "**Mining Facilities**"), except mine timbers in place. In doing so, Orvana shall comply with any reclamation plan imposed under applicable laws and regulations, and the terms of any leases or other contractual arrangements with the surface owner(s) of the Property. Any such property of Orvana remaining on the subsurface after such six (6) month period shall, at Owner's option, become the property of Owner. As designated by Owner, and at Owner's discretion, Orvana may be required to remove any of the Mining

Facilities. Orvana may keep one or more watchmen on the Property during the above-mentioned period. For as long as necessary after termination of this Agreement, Orvana shall have the right of access to and across the Property for reclamation purposes. Notwithstanding the foregoing, Orvana may, with Owner's prior consent and consistent with any reclamation plan imposed under applicable laws and regulations, and the terms of any leases or other contractual arrangements with the surface owner(s) of the Property, continue to use and maintain surface Mining Facilities on the Property following the termination of this Agreement, in order to support its mining operations on other lands located within the vicinity of the Property. Owner shall not withhold or delay such consent to Orvana's continued use and maintenance of the surface Mining Facilities on the Property as provided in the preceding sentence, if Orvana provides to Owner copies of leases or other contractual arrangements with the surface owner(s) of the Property as are reasonably necessary to document Orvana's right, independent of the rights granted by this Agreement (and of Owner's right to surface usage derived from its mineral ownership), to Orvana's continued use and maintenance of the surface Mining Facilities on the Property following termination of this Agreement.

20. **Post-reclamation Termination.** For that portion of the Property designated by Orvana for inclusion in an application for a mining permit, and if mining operations are subsequently conducted thereon by Orvana, then with respect to that portion of the Property so included, this Agreement shall continue in effect, rent-free, after permanent cessation of mining, but will terminate as to that portion, upon Orvana's receipt from the Michigan Department of Environmental Quality, or other controlling governmental authority, of written acknowledgement that Orvana has satisfactorily completed its reclamation plan and/or is released from its performance guarantee or other financial assurance required thereunder. Orvana shall promptly forward to Owner a copy of said acknowledgement and/or release, and termination of this Agreement as to that portion of the Premises shall be automatic as of the date of delivery of said copy to Owner, unless such release is later revoked, in which case said termination will be void.

21. **Owner's Default; Orvana's Right to Perform.** If Owner shall default in the performance of any of the covenants or conditions which Owner is required to observe and perform under this Agreement for a period of thirty (30) days following the date Orvana gives Owner written notice of such failure (except that if such default cannot reasonably be cured within such thirty (30) day period, this period shall be extended for a reasonable additional time, provided that Owner commences to cure such default within the thirty (30) day period and proceeds diligently thereafter to effect such cure), then Orvana may, but need not, treat the occurrence of any one or more of the foregoing events as a breach of this Agreement, and may then, at its option, without any notice or demand of any kind to Owner or any other person, except as otherwise expressly provided in this Agreement, in addition to any other remedies it may have:

- (a) proceed to cure such default, and Owner shall pay the cost of such cure to Orvana, upon demand;
- (b) recover from Owner Orvana's actual damages suffered as a result of such default; or

(c) have specific performance of this Agreement.

22. **Assignment.**

(a) This Agreement shall bind and benefit Owner and Orvana and their respective successors, heirs, executors, administrators, personal representatives and assigns. Either party may freely assign this Agreement (and Orvana may freely sublet its rights under this Agreement in whole or in part) to another person or entity controlling, controlled by or under common control with the assigning party, so long as it notifies the other party of such assignment (or subletting) on or before the seventh business day following such assignment (or subletting), and in the case of an assignment provides to the other party a written assignment in recordable form in which the transferee expressly assumes liability for the performance of this Agreement. No such assignment (or subletting) to a related person or entity shall release the assignor (or sublettor) from liability for the performance of this Agreement. Any other assignment or subletting of this Agreement by a party shall require the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) A purported assignment by Orvana of an undivided interest in this Agreement or a portion of the leased Property shall be construed as creating a separate mining lease between Owner and the assignee as to the interest or acreage assigned. Following the effective date of such an assignment no default or termination in this Agreement shall create a default or termination in that other agreement and no default or termination in that other agreement shall create a default or termination in this Agreement.

(c) No change or division in the ownership of the Property or the payments provided for in this Agreement, however accomplished, shall enlarge the obligations or diminish the rights of Orvana. Owner covenants that any change in ownership shall be accomplished in such a manner that Orvana shall be required to make payments and to give notices to but one person, firm, or corporation, and upon breach of this covenant, Orvana may retain all monies otherwise due to Owner until the breach has been cured. No change or division in ownership in Owner's interest shall be binding on Orvana until thirty (30) days after Owner has given Orvana a certified copy of the recorded instrument evidencing the change or division.

23. **Consent to Orvana Mortgage.**

(a) Orvana may from time to time without further consent from Owner assign this Agreement or any interest in it as collateral security and/or mortgage Orvana's interest in this Agreement to a lender ("**Leasehold Mortgage**"), provided that Orvana shall promptly deliver a true copy of the same to Owner, and at the same time provide to Owner the name and address of the Leasehold Mortgagee.

(b) Any lender acquiring Orvana's interest in this Agreement in consideration of the extinguishment of the debt secured by such collateral assignment and/or mortgage or through the sale of the Orvana's leasehold estate under a power of sale under such mortgage shall be liable to perform the obligations imposed on Orvana by this Agreement only during the period that such person has possession or ownership of the leasehold estate, subject to contrary provisions in any mortgage approved by Owner; but to the extent surplus funds are realized from any sale or transfer permitted by this paragraph entitled "Consent to Orvana Mortgage" after payment of all amounts owing to the lender under its collateral assignment and/or mortgage, such funds shall be applied to the payment of all Rent, Royalty and other charges owing to Owner under this Agreement.

24. Protection of Orvana Mortgage.

(a) Owner agrees with and for the benefit of any Leasehold Mortgagee:

(i) When delivering any notice of default to Orvana with respect to this Agreement or any exercise of any right to terminate this Agreement, Owner will also deliver a copy of any such notice to each Leasehold Mortgagee at the address of each Leasehold Mortgagee provided by Orvana as described above. No such notice shall be binding upon or affect the Leasehold Mortgagee unless and until such delivery to the Leasehold Mortgagee is effected.

(ii) Should Orvana default in respect of any of the provisions of this Agreement, any Leasehold Mortgagee shall have the right, but not the obligation, to cure such default whether the same consists of the failure to pay Rent or the failure to perform any other matter or thing which Orvana is required to do or perform under this Agreement, and Owner shall accept performance by or on behalf of any Leasehold Mortgagee as though, and with the same effect as if, it had been done or performed by Orvana. Each Leasehold Mortgagee will have a period of time after the service of such notice upon it within which to cure the default specified in such notice, or cause it to be cured, which is the same period for cure, if any, as is given to Orvana under this Agreement in respect of the specified default after the giving of such notice to Orvana, plus ten (10) days. In the event of a non-monetary default which cannot reasonably be cured within such period, and provided that any monetary default is cured, the period of time for cure shall be extended for so long as any Leasehold Mortgagee has initiated and is diligently proceeding to cure such default, or if such default, by its nature, is not susceptible of being cured by the Leasehold Mortgagee until it has taken lawful possession of Orvana's interests in the Property, then the Leasehold Mortgagee shall have the right to obtain possession of the Property by itself through prosecution and foreclosure proceedings, trustee's sale, or otherwise by agreement with Orvana or through a court-appointed receiver, prior to being required to complete such cure; but if any non-monetary default is incapable of cure by a Leasehold Mortgagee or its receiver after diligent efforts upon obtaining possession, then such non-monetary default shall be deemed waived by Owner as to the Leasehold Mortgagee. The foregoing shall not prevent Owner from exercising its rights and remedies against Orvana under this Agreement at any time following a default by Orvana under this Agreement and failure of

Orvana to cure such default within the cure period granted to Orvana under this Agreement.

(iii) After any non-monetary default by Orvana under the provisions of this Agreement which cannot be cured without being in actual, physical possession of the Property, then so long as all monetary defaults are cured, Owner shall have no right, and shall take no action, to effect a termination of this Agreement (if Owner would otherwise have such right to do so under this Agreement) unless and until all Leasehold Mortgagees have had the opportunity to institute and with reasonable diligence complete "**Foreclosure**" (as defined below) or other appropriate proceedings to acquire possession of and title to Orvana's interest in this Agreement.

(iv) Any Leasehold Mortgagee may become the legal owner and holder of Orvana's interest in the Agreement, by foreclosure, trustee's sale, or other enforcement proceedings, or by obtaining an assignment of this Agreement or Orvana's interest in the Agreement in lieu of foreclosure or through settlement of or arising out of any pending or threatened foreclosure proceeding (collectively, a "**Foreclosure**"), without Owner's consent but with the obligation to assume this Agreement upon Foreclosure, subject to the applicable terms and provisions of this Agreement including Owner's right to cure any subsequent defaults, and such Leasehold Mortgagee may assign this Agreement without Owner's consent at any time thereafter. Upon Foreclosure, the purchaser at such Foreclosure or the assignee under such assignment in lieu of Foreclosure shall become Orvana, and shall be substituted for the Leasehold Mortgagee as the owner and holder of Orvana's interest in the Agreement for all purposes and Owner shall thereafter look solely to such purchaser or assignee with respect to performance of the terms of this Agreement.

(b) Except as expressly permitted above, Owner will not modify, amend, cancel or accept a surrender of this Agreement, nor shall this Agreement be terminated by Orvana (including a termination pursuant to the express provisions of this Agreement), without the prior written consent of all Leasehold Mortgagees. In the event that a Leasehold Mortgagee shall have succeeded Orvana as holder of the Orvana's interest in the Agreement, such Leasehold Mortgagee shall not be bound by any modification or amendment of this Agreement made subsequent to the delivery to Owner of the notice provided in the foregoing provisions and prior to its acquisition of such interest unless the Leasehold Mortgagee shall have consented or be deemed to have consented to such modification or amendment at the time it was made or at the time of such acquisition.

25. **Mortgage of Owner's Interest.**

(a) Owner represents, warrants and agrees that: (i) Owner has not pledged, encumbered or mortgaged or permitted any lien to be placed upon Owner's interest in this Agreement or the Property; and during the Term, Owner shall not pledge, encumber, mortgage or permit any lien to be placed upon Owner's interest in this Agreement or the Property, unless the same is expressly made subject to the interest of Orvana pursuant to the terms and conditions of this Agreement.

(b) Notwithstanding any implication in this Agreement to the contrary, in no event shall Owner be required to subordinate its fee interest in the Property to the lien of any leasehold mortgage granted under the terms of this Agreement.

(c) Owner may from time to time, mortgage and/or assign this Agreement, or any interest in it, as collateral security and/or mortgage Owner's interest in this Agreement or the Property to a lender ("**Property Mortgagee**"), but any such mortgage and/or assignment shall be subject and subordinate to the interest of Orvana pursuant to the terms and conditions of this Agreement.

26. Force Majeure.

(a) If Orvana shall be prevented by Force Majeure from timely performance of any of its obligations under this Agreement (except payment of money to Owner), the failure of performance shall be excused and the period for performance and the Term shall be extended for an additional period equal to the duration of the Force Majeure. Upon the occurrence and upon the termination of any Force Majeure, Orvana shall promptly notify Owner. Orvana shall use reasonable diligence to remedy a Force Majeure, but shall not be required against its better judgment to settle any labor dispute or contest the validity of any law or regulation or any action or inaction of civil or military authority.

(b) "**Force Majeure**" means any cause beyond the reasonable control of Orvana, including, but not necessarily limited to: Acts of God, war, rebellion, riots, insurrection, strikes, law or regulation, action or inaction of civil or military authority, damage to or destruction of mine, plant or facility, and mining casualty.

27. Arbitration.

(a) All disputes arising under this Agreement shall be settled by binding arbitration.

(b) Either party may demand arbitration by giving to the other party a notice specifying the issue in dispute, the amount involved, and the remedy requested. Demand for arbitration must be given within one (1) year after the date of the act or omission out of which the dispute arose. Within twenty (20) days after receipt of the notice, the responding party shall answer the demand in writing, specifying the issues that the responding party disputes.

(c) Within ten (10) days after the responding party's answer, each party shall select one qualified arbitrator. Each arbitrator shall be a disinterested person qualified by experience to hear and determine the issues to be arbitrated. Within ten (10) days after their selection, the arbitrators so chosen shall select a neutral arbitrator. If the named arbitrators cannot agree on a neutral arbitrator, either arbitrator may make application to the chief judge of the United States District Court for the Western District of Michigan,

with a copy to both parties, requesting the court to appoint the third arbitrator. The court's selection shall be final and binding on the parties.

(d) Immediately upon appointment of the third arbitrator, each party shall present in writing to the arbitrators (with a copy to the other party) its statement of the issues in dispute. Any question regarding the arbitrability of the dispute shall be decided by the arbitrators. The arbitrators, as soon as possible, but not more than thirty (30) days after their appointment, shall meet at a time and place reasonably convenient for the parties, after giving each party at least ten (10) days notice. Unless otherwise agreed in writing, arbitration shall be held in the county in which the Property is located. The arbitration hearing shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. If there is any conflict between the provisions of this Agreement and the provisions of the Commercial Arbitration Rules of the American Arbitration Association, the provisions of this Agreement shall prevail. The failure of a party to appear at the hearing shall not operate as a default. The attendance of all arbitrators shall not be required at all hearings. Action of the arbitrators shall be by majority vote. After hearing the parties in regard to the matter in dispute, taking such evidence and making such other investigations as justice requires and as the arbitrators deem necessary, they shall decide the issues submitted to them within ten (10) days thereafter and serve a written and signed copy of the award upon each party.

(e) The award shall be final and binding on the parties, and judgment on the award may be entered by any court of competent jurisdiction. If the parties settle the dispute in the course of the arbitration, the settlement shall be approved by the arbitrators on request of either party and shall become the award. Fees and expenses of the arbitration shall be allocated between the parties as provided by the arbitrators.

28. **Estoppel Certificates.** Within ten (10) days after either party receives a request and without charge to the requesting party, the other party shall sign, acknowledge and deliver to the requesting party a statement in writing, directed to whomever that party shall designate, certifying, if true, that this Agreement is unmodified and in full force and effect (or if there have been modifications, that this Agreement is in full force and effect as modified and stating the modifications), and the dates to which any rent and other charges have been paid in advance. This certificate shall also indicate whether, to the best of the knowledge of the party making the certificate, the other party is in breach or default of any covenant, agreement or condition contained in this Agreement and, if so, specifying each breach or default. A statement delivered under this section may be relied upon by the party to whom it is directed.

29. **Miscellaneous.**

(a) Each party agrees and represents to the other that no broker is involved in this transaction who is entitled to a commission or finder's fee. If a broker makes a claim for remuneration in connection with this transaction, each party shall indemnify and hold harmless the other from any amount that the other may be required to pay to a broker that the other did not retain, including, without limitation, the legal costs and reasonable attorneys' fees expended to defend against the claim.

(b) The parties to this Agreement acknowledge and agree that: (i) each party and the party's counsel has reviewed and negotiated, or has had the opportunity to review and negotiate, the terms and provisions of this Agreement and have contributed to its review and revision; (ii) any rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be used to interpret this Agreement; and (iii) the terms and provisions of this Agreement shall be construed fairly as to all parties to this Agreement and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

(c) This Agreement may be signed in counterparts, which may be assembled to comprise a single agreement.

(d) The failure of either party to enforce any covenant or condition of this Agreement shall not be deemed a waiver of the covenant or condition or of the right of either party to enforce each and every covenant and condition of this Agreement. No provision of this Agreement shall be deemed to have been waived unless such waiver shall be in writing and signed by the person against whom the waiver is claimed. All rights and remedies of each party under this Agreement shall be cumulative, and none shall exclude any other rights or remedies allowed by law.

(e) All notices under this Agreement shall be in writing and shall be delivered to Owner and Orvana at their respective addresses set forth above, or at another address designated by like notice to one another. Personal delivery, facsimile transmission, electronic mail transmission or mailing of a notice by certified mail, postage prepaid, or delivery by recognized overnight service shall be sufficient notice. Notice shall be effective upon receipt, if personally delivered, faxed or emailed, upon mailing, if mailed, or upon deposit with the overnight delivery service.

(f) This Agreement may not be amended, altered or modified unless done so in writing by the person against whom enforcement of any waiver, change, modification, or discharge is sought.

(g) Orvana agrees to provide Owner's Members with a Notice of Claim in Real Estate pursuant to the Michigan Marketable Record Title Act ("Notice") for the Premises. Neither Orvana nor its agents guarantee or warrant the Notice format, or the effect that filing the Notice in the records of Gogebic County will have on Owner's title to the mineral rights that constitute the Property.

(h) In the event that any court of competent jurisdiction shall determine that any provision, or any portion of a provision, contained in this Agreement shall be unenforceable in any respect, then the provision shall be deemed limited to the extent that the court deems it enforceable, and as so limited shall remain in full force and effect. In the event that the court shall deem any provision, or portion of any provision, wholly unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

(i) Upon the request of either party, the parties shall sign and deliver to one another duplicate originals of a short form of this Agreement in recordable form. Either party may, at its election, record that short form. Neither party shall record this Agreement without the prior written consent of the other party, which consent may be withheld in the sole discretion of the other party.

(j) This Agreement and the rights and obligations of the parties under this Agreement shall be governed and interpreted by Michigan law, without giving effect to the conflict of law principles of the State of Michigan.

(k) Nothing in this Agreement shall be construed to create any rights or obligations except between the parties to this Agreement, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(l) The paragraph headings in this Agreement are for convenience only, and shall not be used in the construction of this Agreement. The term "**Owner**" shall be deemed to be singular or plural, and shall be deemed to be masculine, feminine, or neuter, whenever the construction of this Agreement so requires.

(m) Each duty or obligation imposed by this Agreement is independent. A breach by one party of any duty or obligation shall not excuse the performance of any duty or obligation required of the other party. Any words of obligation or duty used in this Agreement are to have the same force and effect as they would have had, had they been stated in the form of covenants.

(n) Notwithstanding any provisions of this Agreement to the contrary, Owner and Orvana acknowledge that they each have a responsibility to act reasonably to mitigate their respective damages in the event of a default by the other party under this Agreement.

(o) Owner and Orvana agree (i) to furnish upon request to each other such further information, (ii) to sign and deliver to each other such other documents, and (iii) to do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

(p) This Agreement, the NSRRA and the other documents referenced in this Agreement embody the entire agreement and understanding between the parties to this Agreement with respect to the subject matter of this Agreement and supersede all prior oral or written agreements and understandings relating to the subject matter of this Agreement. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement or the NSRRA shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

[signatures follow on succeeding pages]

This Agreement has been signed as of the date set forth above.

A.M. Chesbrough, LLC

Scott Sutherland

By: Scott Sutherland

Its: Manager

STATE OF Massachusetts)
) ss
COUNTY OF Essex)

Acknowledged before me in Essex County, Massachusetts, on 9-29, 2010, by Scott Sutherland as Manager of A.M. Chesbrough, LLC, for the corporation.



Lisa A. Law

Print Name: Lisa A. Law

Notary Public, Essex County, Massachusetts

My commission expires 6-27-2014

Acting in the County of Essex

ORVANA RESOURCES US CORP., a Michigan corporation

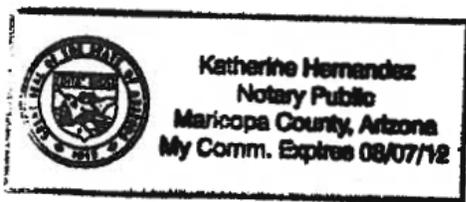
William C. Williams

By: William C. Williams

Its: Vice President – Corporate Development

STATE OF Arizona)
) ss
COUNTY OF Maricopa)

Acknowledged before me in Maricopa County, Arizona, on October 11, 2010, by William C. Williams, as Vice President – Corporate Development of ORVANA RESOURCES US CORP., a Michigan corporation, for the corporation.



Katherine Hernandez

Print Name: Katherine Hernandez

Notary Public, Maricopa County, AZ

My commission expires Aug 7, 2012

Acting in the County of Maricopa

EXHIBIT A

Property

T49N, R 45W, Section 6 (566.11 acres, more or less); and

Located in Wakefield Township, Gogebic County, State of Michigan