

PURCHASE AGREEMENT

THIS AGREEMENT made and dated the 23rd day of May, 2014.

BETWEEN:

AURION RESOURCES LTD., a body corporate, incorporated under the laws of Alberta, having its head office at 120 Torbay Road, Suite W240, St. John's, NL A1A 2G8 (hereinafter called "**Aurion**")

OF THE FIRST PART

AND:

DRAGON MINING OY, a body corporate, incorporated under the laws of Finland with business ID 1509120-8, having its head office at Kummunkuja 38, 38200 Sastamala, Finland (hereinafter called "**Dragon Mining**")

OF THE SECOND PART

WHEREAS:

- A. Dragon Mining is the legal and beneficial owner of certain Mining Rights comprising the Kutuvuoma Project and the Silasselka Projects (collectively the "**Projects**") located in Finland, which interests and rights are more particularly described in Schedule "A" annexed hereto and forming a part of this Agreement (the "**Land Tenements**");
- B. Dragon Mining has agreed to sell 100% of the legal and beneficial ownership in and to the Land Tenements and Projects upon and subject to the terms and conditions set forth in this Agreement to Aurion; and
- C. Aurion may incorporate a subsidiary pursuant to the laws of Finland and, if so, Aurion will assign all right, title and interest in the Projects and Land Tenements purchased by Aurion under this Agreement to such subsidiary.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of these presents and the sum of Ten Dollars (\$10.00) now paid by each Party to the other (the receipt and sufficiency of which is hereby acknowledged), and for other good and valuable consideration, the Parties agree as follows:

1. INTERPRETATION

- 1.1 In this Agreement, and in all Schedules attached to and made a part hereof, the following words and phrases shall have the following meanings, namely:

"**Agreement**" means this Purchase Agreement, including the Schedules attached to and forming a part hereof, as it may be amended or otherwise modified from time to time;

"**Areas of Interest**" means those areas encompassed by the geographical coordinates listed in Schedule "B";

"Associate" means, with respect to any legal entity or other person, directly or indirectly, (i) any legal entity or other person under the Control of such legal entity or other person, (ii) any legal entity or other person Controlled by such legal entity or other person, or (iii) any legal entity or other person under common Control with such legal entity or other person;

"Associated Third Party" means an Associate of Aurion or a partner of Aurion in one of more of the Projects;

"Business Day" means any day other than Saturdays, Sundays and statutory holidays in the Province of Newfoundland and Labrador and in Finland;

"Claim Reservations" means *varaus*, as defined under the Finnish Mining Acts of 1965 or 2011;

"Common Shares" means the common shares in the capital stock of Aurion;

"Control" used as a verb means, when used with respect to an entity, the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of such entity through (i) the legal or beneficial ownership of voting securities or membership interests; (ii) the right to appoint managers, directors or corporate management; (iii) contract; (iv) an operating agreement; (v) a voting trust; or otherwise; and, when used with respect to a person, means the actual or legal ability to control the actions of another, through family relationship, agency, contract or otherwise; and **"Control"** used as a noun means an interest which gives the holder the ability to exercise any of the foregoing powers;

"Consideration Shares" means the Common Shares to be issued in accordance with Section 6.2 of this Agreement;

"Covenants Undertaking" means an undertaking by Dragon Mining Limited (an Australian company trading on the Australian Stock Exchange) in favour of Aurion in which Dragon Mining Limited guarantees the performance by Dragon Mining of its obligations set forth in this Agreement, and being in the form attached hereto as Schedule "C". Dragon Mining acknowledges the subordination set forth in section 3.7 of the Covenants Undertaking;

"Direct Claim" has the meaning set forth in Section 5.4.

"Direct Exploration Expenditures" means, with respect to the Kutuvuoma Project and the Silasselka Project, the following:

- (i) monies expended for Land Tenement holding costs, lease payments, assessment work, claim location, amendment and relocation costs, Government Fees, compensation for land owner or third party damage due to exploration activities and other necessary expenditures incurred or made to preserve in good standing the status and title of the Land Tenements;
- (ii) actual salaries, benefit and fringe costs and wages (including Finnish employer contributions / ancillary costs) (whether or not required by the Laws) of contractors directly assigned to and actually performing Exploration and related activities within or benefiting the Land Tenements (contractors may include geologists, geophysicists, engineers, surveyors, engineering assistants, technicians, draftsmen, engineering clerks and other personnel performing technical services connected with Exploration of the

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Land Tenements but excludes salaries and support costs for Aurion's and the Finnish Subsidiary's own personnel);

- (iii) any other payments to contractors for work on Exploration;
- (iv) monies expended associated with aerial survey flights;
- (v) monies expended associated with drilling, site preparation and road construction;
- (vi) monies expended for the use of machinery, vehicles, equipment and supplies required for Exploration; provided, however, if either the Finnish Subsidiary or Dragon Mining use equipment owned by it, the expenditures attributed for such use shall equal terms available from available independent third parties in the vicinity of the Land Tenement Area;
- (vii) monies expended for metallurgical and engineering work; geophysical, geochemical and geological surveys and assays and other costs incurred to determine the quality and quantity of minerals within, upon or under the Land Tenements;
- (viii) monies (including legal fees and all other third party costs) expended to obtain Permits, rights-of-ways and other similar rights as may be required or necessary in connection with Operations regarding the Land Tenements;
- (ix) monies expended in preparation and acquisition of environmental studies or permits necessary to commence, carry out or complete exploration, and otherwise spent on or accrued for activities required for Environmental Compliance (including also e.g. remediation and aftercare of sites);
- (x) monies expended in performing pre-feasibility and feasibility studies to evaluate the economic feasibility of mining on the Land Tenements, including expenditures for metallurgical test work, preliminary design work and hydrology studies; and
- (xi) monies paid to Dragon Mining pursuant to the Services Agreement.

"Effective Date" means the date first above written;

"Encumbrance" means a mortgage, deed of trust, lien, privilege, pledge, charge, security interest, option, adverse claim, burden, royalty, overriding royalty, production payment, net profits interest, land owner payment, carried interest or other burden of any nature;

"Environmental Compliance" means actions performed during or after Operations to comply with the requirements of all Environmental Laws or contractual commitments related to reclamation or other compliance with Environmental Laws;

"Environmental Laws" all Laws governing:

- (i) reclamation, reforestation or restoration, abatement and remediation of pollution and protection of the environment;
- (ii) monitoring of environmental conditions;
- (iii) protection of biodiversity and wildlife, including reindeer and endangered species;

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- (iv) public safety from environmental hazards;
- (v) protection of cultural or historic resources;
- (vi) protection of rights of indigenous communities;
- (vii) management, storage or control of hazardous materials and substances;
- (viii) releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances into the environment, and

the manufacturing, processing, distribution, use, treatment, storage, disposal, control, handling or transport of pollutants, radiation, contaminants, chemicals or industrial, toxic or hazardous substances or wastes;

"Environmental Liabilities" means any and all claims, actions, causes of action, damages, losses, liabilities, contingent liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursements, or expenses (including, without limitation, legal fees and costs, experts' fees and costs, and consultants' fees and costs) of any kind or of any nature whatsoever that are asserted against a Party, by any person or entity other than a Party, alleging liability (including, without limitation, liability for studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, containment costs, restoration costs, corrective action costs, closure costs, reclamation costs, reforestation costs, natural resource damages, property damages, business losses, personal injuries, penalties or fines) arising out of, based on or resulting from:

- (i) the presence, release, threatened release, discharge or emission into the environment of any hazardous materials or substances existing or arising on, beneath or above the Land Tenement Area and/or emanating or migrating and/or threatening to emanate or migrate from the Land Tenement Area to off-site properties;
- (ii) physical disturbance of the environment caused by or relating to Operations;
- (iii) the violation or alleged violation of any Environmental Laws arising from or relating to Operations; or
- (iv) the Open Pit.

"Escrow Agreement" means that agreement between Aurion and Dragon Mining in the form attached hereto as Schedule "D" pursuant to which certain Consideration Shares will be held in escrow prior to their release to Dragon Mining;

"Exchange" means the TSX Venture Exchange;

"Exploration" means activities directed towards ascertaining the existence, location, quantity, quality or commercial value of deposits of minerals or mineral resources;

"Finnish Subsidiary" means the wholly owned subsidiary of Aurion incorporated under the laws of Finland to which this Agreement will be assigned by Aurion;

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"Government Fees" means all payments required by any law, rule or regulation to be paid to a federal, state, municipal or other governmental authority, in order to locate or maintain any mining leases or surface leases, claims or other tenures included in the Land Tenements (including any Mining Rights obtained pursuant thereto) or Surface Rights;

"Indemnified Party" means a Person whom Aurion or Dragon Mining, as the case may be, has agreed to indemnify under Section 6;

"Indemnifying Party" means, in relation to an Indemnified Party, the Party to this Agreement which has agreed to indemnify that Indemnified Party under Section 6;

"Interim Period" means that period of time between the Effective Date and the Purchase Notice Date;

"Kutuvuoma Project" means that mining project located 40 kilometres east of the township of Kittila and west of the township of Sodankyla which includes a granted mining lease, applications for 18 claims and reservation areas, which collectively encompass a total area of 2,682.779 hectares, and which tenements are set forth in Schedule "A";

"Land Tenements" has the meaning set forth in the recitals;

"Land Tenement Area" means the area of land encompassed by the Land Tenements and the Surface Rights;

"Law" or "Laws" means all European, federal, state, municipal and local laws (statutory, common or otherwise), rules, ordinances, regulations, grants, concessions, franchises, licenses, orders, directives, judgments, decrees, and other governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature that are applicable to the Parties, Land Tenements, Surface Rights and Operations, or any of the foregoing, regardless of whether or not currently in existence or enacted or adopted hereafter, provided, however, that nothing in this definition is intended to make Laws applicable to the Parties during periods when the Laws are not applicable by their terms or the timing of their enactment;

"Liabilities and Costs" means all liabilities, obligations, responsibilities, losses, damages, costs and expenses (including, without limitation, reasonable fees and expenses of outside attorneys, accountants and other professional advisors), fines, penalties and monetary sanctions, interest, direct or indirect, absolute or contingent, past, present or future;

"Mining Licence" meaning Kutuvuoma mining licence 4843 granted December 15, 1998.

"Mining Right" means any of the following: (i) mineral claim (in Finnish: *valtaus*, as defined under the Finnish Mining Act of 1965 (503/1965, as amended)), (ii) claim reservation: *varaus* as defined under the Finnish Mining Acts of 1965 or 2011 (iii) application for a mineral claim, (iv) exploration permit (in Finnish: *malminetsintälupa*, as defined under the Finnish Mining Act of 2011 (621/2011, as amended)), (v) application for an exploration permit, (vi) Claim Reservation, (vii) notification/application for a Claim Reservation, (viii) mining licence (in Finnish: *kaivosoikeus* or *kaivoslupa*, as defined under the Finnish Mining Acts of 1965 or 2011), and/or (ix) application for a mining licence.

"Net Smelter Returns" has the meaning set forth in Schedule "E";

"NI 43-101" means National Instrument 43-101, *Standard for Disclosure for Mineral Projects*;

"Open Pit" means the open pit mine abandoned on the lands associated with the Kutuvuoma Project;

"Operations" means every kind of work done or in respect to the Exploration, Production and the abandonment of the Land Tenements (including any Mining Rights obtained pursuant thereto) and/or the minerals extracted therefrom including, investigating, exploring, developing and maintaining the Land Tenements, preparing reports, estimates and studies, designing, equipping, improving, surveying, constructing, coring, mining, processing, rehabilitation, reclamation and environmental protection;

"Parties" means all of the parties to this Agreement and **"Party"** means any one of them;

"Permits" means permits, licenses, decisions of Mining Rights and regulatory approvals in connection with Exploration or Production;

"Permitted Encumbrances" means public or statutory obligations which are not due or delinquent;

"Person" means any person, individual, company, partnership, trust or any other non-governmental entity or any governmental entity;

"Projects" means collectively the Kutuvuoma Project and the Silasselka Project;

"Production" means the extraction of minerals in commercially viable quantities with the intention to operate a commercial mining venture with an opportunity to make a net-profit or as otherwise defined by Law;

"Purchase" has the meaning set out in Section 6.1 hereof;

"Purchase Notice" has the meaning set forth in Section 6.5;

"Purchase Notice Date" means the date set forth on the Purchase Notice

"Purchase Price" has the meaning set out in Section 6.2 hereof;

"Services Agreement" means that agreement between Aurion and/or the Finnish Subsidiary and Dragon Mining pursuant to which Dragon Mining provides field management, geological and other related services for the Land Tenements and/or the minerals extracted as a result thereof, and the material terms of which are set forth in Schedule "F".

"Silasselka Project" means that mining project located 50 kilometres north of the Kittila township which includes a granted claim reservation area, 2 reservation applications and applications for 17 claims, which collectively encompass a total area of 27,773.23 hectares, and which tenements are set forth in Schedule "A";

"Surface Rights" means land ownership or similar title to land (e.g. leasehold);

"Third Party Claim" has the meaning set forth in Section 5.4;

"Tukes" has the meaning set forth in Section 2.1(c);

"U.S. Person" has the meaning ascribed to it in Regulation S under the United States *Securities Act of 1933*, as amended;

"US Securities Act" means the United States *Securities Act of 1933*, as amended; and

"VWAP" means the volume weighted average price of the Common Shares on the Exchange.

1.2 Currency. In this Agreement, unless specified otherwise, references to dollar amounts are in Euros.

1.3 Schedules. The following are Schedules attached to and incorporated by reference in this Agreement which are deemed to be part hereof:

Schedule "A" – Land Tenements
Schedule "B" – Areas of Interest
Schedule "C" – Covenants Undertaking
Schedule "D" – Escrow Agreement
Schedule "E" – Net Smelter Return
Schedule "F" – Services Agreement Terms

1.4 Conditions Precedent. This Agreement is subject to Aurion receiving all approvals required by the Exchange and Tukes accepting the bond (*vakuus*) proposal of Dragon Mining for the Mining Licence without material change, which are conditions precedent to the obligations of the Parties set forth in this Agreement becoming enforceable.

2. REPRESENTATIONS AND WARRANTIES OF DRAGON MINING

2.1 Dragon Mining represents and warrants to Aurion that at the Effective Date and as of the Purchase Notice Date (unless expressly stated otherwise).

- (a) it has been duly incorporated under the laws of Finland, validly exists as a corporation in good standing under the laws of Finland, is legally entitled to hold its interest in the Land Tenements and shall remain so entitled to its interest in the Land Tenements during the term of this Agreement;
- (b) except for the Surface Rights, it is the legal and beneficial owner of a one hundred percent (100%) interest in the Land Tenements, free and clear of all Encumbrances other than Permitted Encumbrances;
- (c) the Land Tenements have been duly and validly located pursuant to the laws of Finland and are recorded in the names set out in Schedule "A", and are in good standing in the office of Turvallisuus ja kemikaalivirasto, the Finnish Safety and Chemicals Agency ("Tukes" or "Tukes, the Finnish mining authority") on the date hereof and until the dates set out in Schedule "A";
- (d) the Land Tenements are accurately described in Schedule "A", including all claims and lease maintenance fees and granting fees required to keep the Land Tenements in good standing as of the Effective Date;

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- (e) as of the Effective Date, except for the excavation fee (50 euros per metric hectare per annum plus either a reasonable fee for the excavated minerals under the 1965 act or a 0.15% fee for metallic minerals under the 2011 mining act) due to the owners of the Surface Rights, the Land Tenements are not subject to any mining royalties imposed (i) by the Government of Finland or any other local authority in Finland or (ii) pursuant to any agreement;
- (f) as of the Effective Date, it has paid all Government Fees and any other fees, taxes, assessments, rentals, levies or other payments (as may be required to be made relating to the Land Tenements, including payments and/or damages to owners of Surface Rights);
- (g) as of the Effective Date, it has duly filed all reports and returns required to be filed with governmental authorities and has obtained all governmental permits and other governmental consents, except as may be required after the execution of this Agreement, and all such permits and consents are in full force and effect, and no proceedings for the suspension or cancellation of any of them, and no investigation relating to any of them, is pending, or to the knowledge of Dragon Mining, threatened and none of them will be adversely affected by the entry into this Agreement;
- (h) there are no Encumbrances against the Land Tenements other than the Permitted Encumbrances;
- (i) there is no adverse claim or challenge against or to the ownership of or title to the Land Tenements, nor to its knowledge is there any basis therefor, and there are no outstanding agreements or options to acquire or purchase the Land Tenements or any portion thereof;
- (j) except for the obligations associated with the closure of the mining activities which have occurred pursuant to the Mining License, there are no outstanding Environmental Liabilities or other obligations or liabilities, contingent or otherwise, related to environmental, reclamation or rehabilitation work associated with the Land Tenements or within the Land Tenement Area or arising out of Exploration, development work or mining activities previously carried out by Dragon Mining, its agents or contractors or on the Land Tenements or the within the Land Tenement Area;
- (k) there are no actions, suits, claims, proceedings, litigation or investigations pending or threatened against it that relate to the Land Tenements, or that could, if continued, adversely affect the ability of Dragon Mining to fulfill its obligations under this Agreement or Aurion's ability to exercise its rights under this Agreement;
- (l) except for the obligations associated with the closure of the mining activities which have occurred pursuant to the Mining License, there is no condition on the Land Tenements that could result in any Environmental Liabilities or other type of enforcement proceeding, or any recovery by any governmental agency or private party of remedial or removal costs, natural resources damages, property damages, damages for personal injuries or other costs, expenses, damages or injunctive relief arising from any alleged injury or threat of injury to health, safety or the environment;
- (m) there are no rights of first refusal or other preferential rights of purchase attached to any part of the Land Tenements;

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- (n) it has unfettered legal access to the Land Tenements and the Land Tenement Areas in accordance with the Mining Act (621/2011), and no commission is payable or required to be paid by Dragon Mining in connection with such access and there is no fact or condition which would result in the interference with or termination of such access;
 - (o) it has duly obtained all corporate authorizations for the execution of this Agreement and for the performance of this Agreement by it, and the consummation of the transaction herein contemplated shall not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of, its Articles or constituting documents or any shareholders' or directors' resolution, indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound or to which it may be subject;
 - (p) no proceedings are pending for, and it is not aware of any basis for the institution of any proceedings leading to, its dissolution or winding-up or the placing of it in bankruptcy or subject to any laws governing the affairs of insolvent persons;
 - (q) there are no outstanding agreements, leases or options to acquire or purchase any interest in the Land Tenements or any portion thereof;
 - (r) this Agreement is a valid and binding agreement enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution and waiver of contribution may be limited under Law; and
 - (s) it is knowledgeable of, or has been independently advised as to, the applicable securities laws of Finland which would apply to this Agreement, if any.
- 2.2 Dragon Mining acknowledges that the representations and warranties set forth in Section 2.1 hereof form a part of this Agreement and are conditions upon which Aurion has relied in entering into this Agreement.
- 2.3 The Parties also acknowledge and agree that the representations and warranties set forth in Section 2.1 hereof are provided for the exclusive benefit of Aurion and the Finnish Subsidiary, and a breach of any one or more thereof may be waived by Aurion in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty.

3. REPRESENTATIONS AND WARRANTIES OF AURION

3.1 Aurion represents and warrants to Dragon Mining that:

- (a) it has been duly incorporated under the laws of the Alberta, and validly exists as a corporation in good standing under the laws of the Province of Alberta;
- (b) it has undertaken its own due diligence and has not relied upon any information provided by Dragon Mining in respect to the matters the subject of this Agreement other than as set forth in this Agreement;

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- (c) it is a "reporting issuer" under the securities laws in the provinces of British Columbia, Alberta and Ontario, and is in compliance with all continuous disclosure requirements thereunder, and is not in default of such legislation or any regulation thereunder;
 - (d) the Common Shares are listed on the Exchange under the stock symbol "AU" and there are presently 38,540,641 Common Shares, 2,982,500 options and 13,750,594 warrants to acquire Common Shares, issued and outstanding;
 - (e) it has duly obtained all corporate authorizations for the execution of this Agreement and for the performance of this Agreement by it, and the consummation of the transaction herein contemplated shall not conflict with or result in any breach of any covenants agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of, its Articles or constating documents or any shareholders' or directors' resolution, indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound or to which it may be subject;
 - (f) no proceedings are pending for, and it is not aware of any basis for the institution of any proceedings leading to, its dissolution or winding-up or the placing of it in bankruptcy or subject to any laws governing the affairs of insolvent persons;
 - (g) this Agreement, subject to receiving the requisite approval of the Exchange, is a valid and binding agreement enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution and waiver of contribution may be limited under Law; and
 - (h) upon issuance in accordance with the terms and conditions of this Agreement, the Consideration Shares will be validly issued, fully paid and non-assessable.
- 3.2 Aurion acknowledges that the representations and warranties set forth in Section 3.1 hereof form a part of this Agreement and are conditions upon which Dragon Mining has relied in entering into this Agreement.
- 3.3 The Parties also acknowledge and agree that the representation and warranties set forth in Section 3.1 hereof are provided for the exclusive benefit of Dragon Mining, and a breach of any one or more thereof may be waived by Dragon Mining in whole or in part at any time without prejudice to their rights in respect of any other breach of the same or any other representation or warranty.

4. SECURITIES LAWS

- 4.1 Prospectus Exemption— the Parties acknowledge that the issuance of the Consideration Shares by Aurion to Dragon Mining as contemplated herein will be made pursuant to an exemption from the registration and prospectus requirements of applicable securities laws.
- 4.2 Compliance with Securities Laws – Dragon Mining confirms to and covenants with Aurion that:
- (a) it will comply with all requirements of applicable securities laws in connection with the issuance to it of the Consideration Shares and the resale of any Consideration Shares;

- (b) the Consideration Shares have not been registered under the U.S. Securities Act or the securities laws of any state of the United States and that Aurion does not intend to register the Consideration Shares under the U.S. Securities Act, or the securities laws of any state of the United States and has no obligation to do so;
- (c) it is not a U.S. Person and is not acquiring the Consideration Shares for the account or benefit of any U.S. Person;
- (d) the issuance of the Consideration Shares to Dragon Mining does not contravene any of the applicable securities legislation of Finland and does not give rise to any obligation of Aurion to prepare and file a prospectus, registration statement or similar document or to register the Consideration Shares or to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in Finland; and
- (e) the issuance of the Consideration Shares to Dragon Mining complies with all applicable securities laws of Finland and will not cause Aurion to become subject to or comply with any disclosure, prospectus or reporting requirements under any such applicable laws.

4.3 Legend - upon the issuance of the Consideration Shares to Dragon Mining and until such time as is no longer required under applicable securities laws, the certificates representing the Consideration Shares will bear a legend required under National Instrument 45-102, Resale of Securities, in substantially the following form:

"Unless permitted under securities legislation, the holder of this security must not trade the security before [insert the date that is 18 months, 6 months, 4 months and 4 months and a day after the distribution date for each tranche respectively]."

5. INDEMNIFICATION

5.1 Survival of Representations, Warranties and Covenants

The representations and warranties of Aurion and Dragon Mining contained in this Agreement shall survive the completion of the Purchase for a period of two years. The covenants and agreements of Aurion and Dragon Mining contained in this Agreement shall survive the Purchase in accordance with their terms. Notwithstanding anything in this Agreement to the contrary, any representation or warranty that is the subject of a claim that is asserted in writing within the survival period specified in this Section 5.1 shall survive with respect to such claims or disputes until the final resolution thereof.

5.2 Indemnification by Dragon Mining

Dragon Mining shall indemnify, defend and hold Aurion, the Finnish Subsidiary and each of their respective directors, officers, shareholders, employees, agents and representatives harmless in respect of any Liabilities and Costs which may be made or brought against one or more of them or which one or more of them may suffer or incur as a result of, in respect of or arising out of:

- (a) any breach by Dragon Mining of any of its covenants or agreements in this Agreement;
- (b) any failure of Dragon Mining to perform any of its obligations in this Agreement; or

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- (c) the failure of any representation or warranty made by Dragon Mining in this Agreement to be true or correct as of the Effective Date and, as applicable, the Purchase Notice Date.

5.3 Indemnification by Aurion

Aurion agrees to indemnify, defend and hold harmless Dragon Mining its directors, officers, shareholders, employees, agents and representatives from and against any and all Liabilities and Costs which may be made or brought against one or more of them or which one or more of them may suffer or incur as a result of, in respect of or arising out of:

- (a) any breach by Aurion of any of its covenants or agreements in this Agreement;
- (b) any failure by Aurion to perform any of its obligations in this Agreement; or
- (c) the failure of any representation or warranty made by Aurion in this Agreement to be true or correct as of the Effective Date.

5.4 Notice of Claims

If an Indemnified Party becomes aware of a claim in respect of which indemnification is provided for pursuant to either of Section 5.2 or 5.3, as the case may be, the Indemnified Party shall promptly give written notice of the claim to the Indemnifying Party. Such notice shall specify whether the claim arises as a result of a claim by a Person against the Indemnified Party (a "Third Party Claim") or whether the claim arises as a result of a claim by one party against the other (a "Direct Claim"), and shall also specify with reasonable particularity (to the extent that the information is available):

- (i) the factual basis for the claim; and
- (ii) the amount of the claim, if known.

Notwithstanding the foregoing, the failure of the Indemnified Party to provide notice in the manner or at the time specified in this Section 5.4, shall not reduce the obligations of the Indemnifying Party under this Section 5 in respect of any Liabilities and Costs incurred by the Indemnified Party, provided that in no event may any Party make a claim for indemnity under this Agreement within respect to any representation or warranty if notice of such claim is not made within the applicable survival period specified in Section 5.1 hereof.

5.5 Direct Claims

In the case of a Direct Claim, the Indemnifying Party shall have 60 days from receipt of notice of the Direct Claim within which to make such investigation of the Direct Claim as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Direct Claim, together with all such other information as the Indemnifying Party may reasonably request. If both Parties agree at or before the expiration of such 60 day period (or any mutually agreed upon extension thereof) to the validity and amount of such Direct Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Direct Claim, failing which the matter shall be referred to binding

arbitration in such manner as the Parties may agree or shall be determined by a court of competent jurisdiction.

5.6 Third Party Claims

In the case of Third Party Claims in respect of which indemnification is sought:

- (a) The Indemnified Party shall give prompt notice, and in any event within 20 Business Days, to the Indemnifying Party of any such Third Party Claims made upon the Indemnified Party. In the event of failure to give such notice, such failure shall not preclude the Party seeking indemnification but its right to indemnification shall be reduced to the extent that such delay prejudiced the defence of the claim or increased the amount of liability or cost of defence.
- (b) The Indemnifying Party shall have the right, by notice to the Indemnified Party given not later than 30 Business Days after receipt of the notice described in the above subsection, to assume control of the defence, compromise or settlement of the claim, provided that such assumption shall by its terms, be without cost of the Indemnified Party, and provided the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnified Party in accordance with the terms of this Agreement.

Upon assumption of control of any claim by the Indemnifying Party as set out in subsection (b) hereof, the Indemnifying Party shall diligently proceed with the defence, compromise or settlement of the claim at its sole cost including, if necessary the retention of counsel reasonably satisfactory to the Indemnified Party, and in connection therewith, the Indemnified Party shall cooperate fully, but at the expense of the Indemnifying Party with respect to any out-of-pocket expenses incurred, to make available all pertinent information and witnesses under the Indemnified Party's control, PROVIDED THAT the Indemnified Party may participate, through counsel chosen by it and at its own expense, in the negotiation, settlement or defence of any such lawsuit or other claim. The Indemnifying Party shall not, without written consent of the Indemnified Party (which written consent shall not be unreasonably withheld), pay, compromise or settle any such lawsuit or claim, except that the Indemnifying Party shall have the right to pay, settle or compromise any lawsuit or other claim involving only money damages (or to pay, settle or compromise the money damages portion of any such lawsuit or other claim) without the consent of the Indemnified Party, if and only if, such settlement or compromise includes a full release of the Indemnified Party from any and all liability, in connection with the matters raised in such lawsuit or claim.

- (c) The final determination of the claim pursuant to this Section, including all related costs and expenses, will be binding and conclusive upon the Parties as to the validity, as the case may be, of such claim against the Indemnifying Party.
- (d) If the Indemnifying Party does not assume control of a claim as permitted in this Section, the Indemnified Party shall be entitled to make such settlement of the claim as in its sole discretion may appear advisable, and such settlement or any other final determination of the claims shall be binding on the Parties.

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5.7 Limitation on Indemnification

The indemnification provisions in this Section 5 shall apply to claims for breach or inaccuracy of representations and warranties to a maximum amount of the Purchase Price (which shall be valued as of the date of the indemnity claim).

5.8 Exclusive Remedy

In the absence of fraud, the provisions of this Section 5 shall be the exclusive remedy of the Parties in the event of any breach of or inaccuracy in any representation or warranty of a party under this Agreement. For clarity, this Section 5.8 shall not apply to breach of covenants or other agreements of the Parties contained in this Agreement.

6. **PURCHASE COMMITMENT**

6.1 Aurion has agreed to acquire Dragon Mining's entire beneficial interest in the Land Tenements (the "**Purchase**"), such interest consisting of an undivided one hundred percent (100%) legal and beneficial interest in the Land Tenements free and clear of all Encumbrances except the Permitted Encumbrances.

6.2 Purchase Price. Aurion are to Purchase 100% interest in the Land Tenements by issuing to Dragon Mining 6,000,000 Consideration Shares and incurring the Direct Exploration Expenditure of EUR 1,000,000 on the Projects, in accordance with the payment schedule provided in Table 1. (the "**Purchase Price**")

Table 1 – Payment Schedule

	Signing (subject to fulfilment of the condition precedent)	Upon the Kutuvuoma Claim Applications 4-21 as listed in Schedule "A" and subject to Section 6.2(a) becoming valid	Upon the Silasselkä Claim Applications 1-19 as listed in Schedule "A" and subject to Section 6.2 (a) becoming valid.	Third Anniversary of the Kutuvuoma Claims 4-21 and Silasselkä Claims 1-19 as listed in Schedule "A" and subject to Section 6.2(a) becoming valid.
Direct Exploration Expenditures (EUR)				1,000,000
Consideration Shares	2,000,000	1,000,000	1,000,000	2,000,000

(a) Any one of the claim applications set forth in Schedule "A" shall be withdrawn by Dragon Mining on the written request of Aurion. Should any one of the Kutuvuoma

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claim applications 4-21 as listed in Schedule "A" or the Silasselkä claim applications 1-19 as listed in Schedule "A" not be granted by Tukes for any reason (other than the withdrawal of the application by Dragon Mining on the written request of Aurion) the number of Consideration Shares and the amount of the Direct Exploration Expenditure obligation shall each be reduced by the percentage of the land area not granted by Tukes is to the total land area contained within Kutuvuoma claim applications 4-21 and the Silasselkä claim applications 1-19 as listed in Schedule "A".

- (b) Notwithstanding the time periods and dates set out above in the Payment Schedule, Table 1, Aurion in its sole discretion, may incur the Direct Exploration Expenditures and issue the Consideration Shares at such earlier dates as it determines. Direct Exploration Expenditures may be incurred, at Aurion's sole and absolute discretion, on the Kutuvuoma Project and/or the Silasselkä Project. Aurion may expend the full Direct Exploration Expenditure obligation on one Project to the complete exclusion of the other. Any direct Exploration Expenditures incurred prior to the third anniversary of the Kutuvuoma and Silasselkä claims as listed in Schedule "A" becoming valid shall be accumulated and apply against the expenditure obligation of EUR 1,000,000 as set forth in Section 6.2. The Purchase shall be completed upon completion of the payment of the Purchase Price and the delivery of the Purchase Notice.

6.3 Consideration Share Escrow. The 2,000,000 Consideration Shares received by Dragon Mining, on signing this Agreement and approval of this transaction by the Exchange will be escrowed for 18 months from the date of issuance of such shares in accordance with the Escrow Agreement. Any other Consideration Shares received by Dragon Mining within 18 months from the date of issuance of these 2,000,000 Consideration Shares shall also be escrowed in accordance with the Escrow Agreement for the remaining portion of such 18 month time period.

6.4 Consideration Shares Resale Restrictions. Dragon Mining acknowledges that the Consideration Shares will be subject to such resale restrictions and hold periods as may be imposed by applicable securities legislation and the policies of the Exchange. In addition, upon the expiry of any applicable resale or hold period, if Dragon Mining intends to sell any of the Consideration Shares held by it, it shall inform the directors of Aurion of such intent as soon as practicable. The directors of Aurion and representatives of Dragon Mining will engage in discussions for a minimum period of one week with a view to identifying potential buyers for these shares on terms in line with the market price of Aurion Shares on the Exchange based on 5 day VWAP immediately before the agreed settlement date.

6.5 Purchase Notice. In the event Aurion has paid the Purchase Price, it must deliver to Dragon Mining a written notice (the "**Purchase Notice**") which sets forth and attaches evidence satisfactory to Dragon Mining that Aurion has delivered to Dragon Mining the Consideration Shares and incurred the Direct Exploration Expenditures as required by Section 6.2. On delivery of the Purchase Notice, Dragon Mining shall transfer to Aurion's Finnish Subsidiary Dragon Mining's entire undivided 100% legal and beneficial interest in the Land Tenements, and take whatever steps are required to register such transfer with the applicable authorities in accordance with the Laws of Finland within 5 days of receipt of the Purchase Notice. The Parties acknowledge that claim reservations and applications for the same are not transferable, and that applications for mineral claims and applications for exploration permits are not explicitly transferable under Law, but that Tukes, the Finnish mining authority, accepts in practice the transfer of such applications. To the extent such Land Tenements are not directly or easily transferable to Aurion, such Land Tenements shall be held in trust by Dragon Mining as bare trustee for Aurion, and transferred to Aurion through such mechanism and with such timetable as

will be directed by Aurion. Such transfer may, with respect to reservations, e.g. be carried out according to a procedure where Aurion directs Dragon Mining to apply in Dragon Mining's name for exploration licences or claims regarding all or some of the reservations (as directed by Aurion), and such applications are simultaneously or subsequently (as directed by Aurion), or the exploration licence or claim granted as a result of such application, transferred to Aurion.

6.6 Operator. For the duration of this Agreement, Aurion will be the operator responsible for Exploration of the Land Tenements.

6.7 Bonus Payments. Aurion will make bonus payments to Dragon Mining as follows:

- (a) EUR 2,000,000 in cash or the equivalent of such in Common Shares (share price based on 5 day VWAP immediately before the agreed settlement date) at Aurion's discretion upon the defining of one million ounces of gold equivalent material within the Projects and the Areas of Interest (provided it is an Aurion or Associated Third Party Permit) that is categorized as Measured and Indicated in accordance with the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Resources or NI 43-101; and
- (b) EUR 1,000,000 in cash or the equivalent in Common Shares (share price based on the 5 day VWAP immediately before the agreed settlement date) at Aurion's discretion upon the defining of every additional one million ounces of gold equivalent material within the Projects and the Areas of Interest (provided it is an Aurion or an Associated Third Party Permit) that is categorized as Measured and Indicated in accordance with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Resources or NI 43-101.

6.8 Areas of Interest. Any new Mining Rights acquired by Aurion or an Associated Third Party wholly or partly, or by Dragon Mining wholly or partly, within the Areas of Interest after the execution of the Letter of Intent dated 2 March 2014 will become part of the Kutuvuoma or Silasselkä Project, as applicable, and be subject to all the terms and conditions of this Agreement.

6.9 Third Party Partner. Aurion has the option to seek a third party partner after one year from the Effective Date, the incoming partner to honour fully this Agreement. The Third Party to execute a deed or agreement with Aurion and Dragon Mining acceptable to Aurion and Dragon Mining, each acting reasonably, verifying this.

6.10 Right of First Refusal. Dragon Mining will have the right to re-acquire one or both Projects under a right of first refusal. In the event Aurion receives a bona fide offer (the "**Principal Offer**") in writing to purchase one or both of the Projects (the "**Asset**") which offer Aurion is willing to accept, Aurion shall make an offer in writing (the "**Selling Offer**") to Dragon Mining to sell the Asset to Dragon Mining on the same terms and conditions as contained in the Principal Offer. Dragon Mining may accept the Selling Offer within 30 days after its receipt thereof by delivering notice of such acceptance to Aurion. If the Selling Offer is not accepted within this timeframe, Aurion shall be entitled to sell the Asset to the party making the Principal Offer, but not on terms any more favourable to the party making the Principal Offer than the terms contained in the Principal Offer.

6.11 Aurion's Board of Directors. Aurion will arrange for Dragon Mining, at Dragon Mining's discretion, to have the right to nominate one qualified individual who is acceptable to the Exchange, to serve on the Board of Directors of Aurion at the earlier of: (i) the third anniversary

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of the Kutuvuoma and Silasselka claims as listed in Schedule "A" becoming valid and (ii) when the purchase of 100% interest in the Land Tenements is complete and Aurion or its nominee is the registered and beneficial owner of such interests and rights.

- 6.12 **Net Smelter Return.** Dragon Mining shall retain a Net Smelter Return of three percent (3%) on any deposit mined by Aurion or an Associated Third Party within the Projects and the Areas of Interest as set forth in Schedule "B". Aurion or its nominee may purchase (i) the full (3%) Net Smelter Return at any time on or before the sixth (6th) anniversary of the Effective Date with a one-off payment of EUR 4,000,000 in cash or (ii) one percent (1.0%) of the Net Smelter Return at any time after the tenth (10th) anniversary of the Effective Date with a one-off payment of EUR 4,000,000 in cash, on the basis that Dragon Mining has not sold the NSR to a third party in accordance with the terms outlined in 6.12 (a). In exchange for payment, Dragon Mining shall deliver to Aurion a quit claim or release of the Net Smelter Return (or portion thereof, as applicable) in form and substance satisfactory to Aurion.

- (a) After the sixth anniversary of the Effective Date, Dragon Mining at its discretion, will have the right to sell the Net Smelter Return to a Third Party. Aurion will have the right to acquire the Net Smelter Return under a right of first refusal. In the event Dragon Mining receives a bona fide offer (the "**Principal NSR Offer**") in writing to purchase all or part of the Net Smelter Return which offer Dragon Mining is willing to accept, Dragon Mining shall make an offer in writing (the "**NSR Selling Offer**") to Aurion to sell the Net Smelter Return to Aurion on the same terms and conditions as contained in the Principal NSR Offer. Aurion may accept the NSR Selling Offer within thirty (30) days after its receipt thereof by delivering notice of such acceptance to Dragon Mining. If the NSR Selling Offer is not accepted within this timeframe, Dragon Mining shall be entitled to sell to the party making the Principal NSR Offer, but not on terms any more favourable to the party making the Principal NSR Offer than the terms contained in the Principal NSR Offer.

7. AMENDMENT TO THE LAND TENURE MANAGEMENT

- 7.1 Aurion may, at any time, and from time to time, notify Dragon Mining that it wishes to modify the Land Tenements by:
- (a) acquiring additional Mining Rights internal to or within the Areas of Interest in the name of the Finnish Subsidiary by applying for such right or acquiring it from third parties; or
- (b) reducing the surface area of any of the Mining Rights in Schedule "A" (which for clarity will not impact the number of Consideration Shares to be issued to Dragon Mining or the amount of the Direct Exploration Expenditure to be incurred by Aurion.)
- 7.2 Prior to reducing the surface area of any of the Land Tenements, Aurion agrees to provide Dragon Mining with 30 days written notice of its intent to reduce the size of the Mineral Rights or any one or more thereof. Dragon Mining may request the return of any Land Tenements related to any surface area Aurion was intending to abandon at its sole cost and account within the said 30 days. For further certainty, Dragon Mining hereby agrees to pay all costs incurred by Dragon Mining and Aurion related to the return of any Mineral Rights as permitted in this sub-paragraph 7.2. The return of any Mineral Rights requested by Dragon Mining as permitted herein shall occur within 45 days of Dragon Mining requesting the return. Aurion may abandon any Mineral Rights, or parts thereof, not requested to be returned to Dragon Mining at the termination of the 30 days written notice period.

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8. OBLIGATIONS OF THE PARTIES DURING THE INTERIM PERIOD

8.1 Aurion hereby covenants and agrees that prior to the Purchase and for so long as it is acting as operator it will:

- (a) maintain the Land Tenements in good standing by the doing and filing of applicable assessment work or the making of payments in lieu thereof, by the payment of mining duties and the performance of all other action which may be necessary in that regard and in order to keep the Land Tenements free and clear of all Encumbrances except the Permitted Encumbrances and those at the time contested in good faith by Dragon Mining or Aurion;
- (b) file all applicable assessment work carried out in respect of the Land Tenements as required under all applicable mining legislation;
- (c) permit Dragon Mining or its duly authorized agents, upon reasonable prior notice to Aurion, to have access to the Land Tenements in order to examine any work carried out by Aurion, provided, however, that neither Dragon Mining nor its agents shall interfere or obstruct the operation of Aurion, its servants and agents on the Land Tenements, and further provided that Dragon Mining or its agents shall enter upon the Land Tenement Area at their own risk and that Dragon Mining agrees to indemnify and save Aurion harmless from all loss or damage of any nature or kind whatsoever in any way referable to the entry of, presence on, or activities of either Dragon Mining or its agents while on the Land Tenements Area, including, without limiting the generality of the foregoing, bodily injuries or death at any time resulting therefrom and damage to property sustained by any person or persons;
- (d) conduct all work on or with respect to the Land Tenements in a careful and miner like manner and in accordance with the Laws and indemnify and save Dragon Mining harmless from any and all claims, suits or actions made or brought against it as a result of work done by Aurion or with respect to Land Tenements; and
- (e) obtain and maintain, or cause any contractor engaged hereunder to obtain and maintain, during any period in which active work is carried out hereunder, adequate insurance.

8.2 Notwithstanding any of the provisions of this Agreement, the Parties specifically agree that except for the obligations associated with the Exploration and mining activities which have occurred on the Mining License, Aurion shall not be responsible for rectifying any Surface Rights, third party or environmental damage or be responsible for any Environmental Liabilities existing on or sustained by the Land Tenement Area or arising as a result of Exploration, Production or any other activity associated with the Land Tenements prior to the Effective Date. All Environmental Liabilities existing on, under or above the Land Tenement Area prior to the Effective Date shall be the sole obligation of Dragon Mining and Dragon Mining covenants and agrees to defend, indemnify and hold harmless Aurion, the Finnish Subsidiary and each of their respective directors, officers, employees and agents from all Liabilities and Costs of any nature of kind whatsoever in any way associated with or arising from such Environmental Liabilities.

8.3 Dragon Mining covenants and agrees that prior to the Purchase:

- (a) on behalf of Aurion and at Aurion's instruction and cost, it will exercise any right or option for any extension or renewal of any Land Tenements;

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- (b) except for Permitted Encumbrances, it shall not create, suffer or permit the creation of any Encumbrance on, against, or with respect to the Land Tenements or its rights or interests therein, without the prior written consent of Aurion;
- (c) it will not sell, lease, transfer or otherwise dispose of the Land Tenements or its rights or interest therein;
- (d) Aurion may take such action in the name of Dragon Mining as it shall deem necessary in order to preserve the Land Tenements and enforce the performance of any third party of their obligations associated therewith;
- (e) as security for all obligations of Dragon Mining under this Agreement, it will pledge to Aurion the right to exploit mining minerals based on a mining permit and the privilege under an exploration permit which are or become the subject of this Agreement, all in accordance with section 174 of the Mining Act (621/2011). This pledge agreement shall be executed by Dragon Mining forthwith after the execution of this Agreement, and Dragon Mining shall provide to Tukes written notification of the pledging in accordance with section 174 of the Mining Act (621/2011) forthwith on such exploration permits and mining licences being granted; and
- (f) it will provide prompt notice to Aurion of any communication it has or receives from Tukes or any other governmental authority with respect to the Land Tenements. Such notice shall include a copy of any written correspondence and a written summary of any oral communication.

9. RIGHT OF ENTRY

9.1 Subject to the rights and privilege of Surface Rights land holders, during the term of this Agreement, Dragon Mining and its affiliates shall not interfere with Aurion, the Finnish Subsidiary, and its servants, agents and independent contractors use and (subject only to Sections 8.1(c) and 8.1(d)) grant to Aurion, the Finnish Subsidiary and their respective agents, employees and contractors' rights in respect of the Land Tenements to:

- (a) enter thereon;
- (b) have exclusive and quiet possession thereof;
- (c) do such prospecting, Exploration, development and/or other mining work thereon and thereunder as Aurion in its sole discretion may determine practical under the provisions of work programs;
- (d) bring upon and erect upon the Land Tenement Area such buildings, plant, machinery, tools, appliances and/or equipment as Aurion may deem advisable; and
- (e) remove therefrom and dispose of reasonable quantities of ores, minerals, and metals for the purposes of obtaining assays or making other tests.

10. TERMINATION

10.1 If at any time prior to the full payment of the Purchase Price Aurion fails to advance to Dragon Mining any payment or issuance required under Section 6 hereof, or fails to incur any of the

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Direct Exploration Expenditures provided for under Section 6 hereof, or is in breach of any representation or warranty contained herein, Dragon Mining may terminate this Agreement, but only if:

- (a) it shall have first given to Aurion a notice of default containing particulars of the payment not advanced, the shares not issued, the Direct Exploration Expenditures not incurred, or the representation or warranty breached, as applicable; and
- (b) Aurion has not, within thirty (30) days following delivery of such notice of default, cured such default or shown efforts to diligently work towards curing the said default.

10.2 In the event this Agreement is terminated by Dragon Mining pursuant to Section 10.1 then Aurion shall: (a) acknowledge no further interest (legal or beneficial) in the Land Tenements; and (b) supply Dragon Mining with copies of all technical data generated on or for the Land Tenements both in hard copy and digital formats and (c) not be entitled to the return of any payment made in connection with this Agreement. On Aurion complying with its obligations under this Section 10.2 it shall have no further obligations or liabilities whatsoever to Dragon Mining under this Agreement or at law or in equity, except for any Environmental Liabilities which may arise as a result of activities undertaken by or on behalf of Aurion on the Land Tenement Area.

11. ASSIGNMENT

11.1 Except for the assignment of Aurion to the Finnish Subsidiary, this Agreement shall not be assigned by either Party without prior written consent of the other Party, which consent shall not be unreasonably withheld. A change of Control shall be considered an assignment and subject to the restrictions set forth in the preceding sentence.

12. FORCE MAJEURE

12.1 If a Party is at any time during the term of this Agreement either prevented or delayed in complying with any provisions of this Agreement by reason of strikes, power shortages, fuel shortages, fires, wars, acts of God, governmental regulations restricting normal operations, shipping delays or any other reason or reasons (other than lack of funds) beyond the control of that Party, the time limited for the performance by that Party of its obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or delay.

12.2 Each Party shall give prompt notice to the other Party of each event of force majeure under subparagraph 12.1 hereof and upon cessation of such event shall furnish the other Party with notice to that effect together with particulars of the number of days by which the obligations of the Party hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

13. CONFIDENTIAL INFORMATION

13.1 No information in respect of the activities carried out with respect to the Land Tenements or any portion thereof by Aurion during the Purchase shall be disclosed by either Dragon Mining or Aurion without the prior written consent of the other, but such consent shall not be withheld in respect of information required to be publicly disclosed pursuant to applicable securities or other Laws compelling such disclosure. In the event either Dragon Mining or Aurion proposes to disclose any such information, it shall first provide to the other written notice of the information proposed to be published at least three (3) business days prior to the publication of such

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information. In the event the Party receiving such written notice has not provided comments to the Party sending such written notice within three (3) business days of the receipt of such written notice, the other Party will be free to disclose such information without further reference to the Party to whom such written notice was sent.

14. ARBITRATION

- 14.1 The Parties agree that all questions or matters in dispute with respect to the provisions of this Agreement, including the accounting of monies expended by Aurion as provided for herein, the calculation or payment of the Net Smelter Return or with respect to any other matter of a financial nature hereunder, shall be submitted to arbitration pursuant to the terms hereof.
- 14.2 It shall be a condition precedent to the right of any Party to submit any matter to arbitration pursuant to the provisions hereof that any Party intending to refer any matter to arbitration shall have given not less than thirty (30) days' prior written notice of its intention so to do to the other Party together with particulars of the matter in dispute. On the expiration of such thirty (30) days, the Party who gave such notice may proceed to refer the dispute to arbitration as provided for in paragraph 14.3 hereof.
- 14.3 Any matter submitted to arbitration hereunder will be conducted before the London Court of International Arbitrations pursuant to the London Court of International Arbitration Rules.
- 14.4 The Parties agree that the decision of the arbitrator shall be final and binding upon each of them.

15. NOTICES AND PAYMENT

- 15.1 Any notice, demand, payment or other communication under this Agreement will be given in writing and must be delivered or sent by telecopier, email or courier and addressed to the Party to which it is being given at the following addresses:

- (a) if to Dragon Mining:

DRAGON MINING OY
Kummunkuja 38
38200 Sastamela
Finland

Attention: The Directors

- (b) if to Aurion:

AURION RESOURCES LTD.
120 Torbay Road
Suite W240
St. John's, NL A1A 2G8

Attention: Mike Basha, President

- 15.2 If notice, demand, payment or other communication is sent by telecopier or is delivered by e-mail or courier, it will be deemed to have been received on the next business day following the day of transmission or delivery, as applicable.

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16. FURTHER ASSURANCES

- 16.1 Each of the Parties hereto agrees to do and/or execute all such further and other acts, deeds, things, devices, documents and assurances as may be required in order to carry out the true intent and meaning of this Agreement, including the registration thereof against any of the Land Tenements at the request of any Party.

17. TIME OF THE ESSENCE

- 17.1 Time shall be of the essence of this Agreement.

18. COSTS

- 18.1 Each of the Parties will be responsible for paying its own costs relating to the preparation and execution of this Agreement.

19. ENTIRE AGREEMENT

- 19.1 The Parties agree that the terms and conditions of this Agreement shall supersede and replace any other agreements or arrangements, whether oral or written, heretofore existing among the Parties in respect of the subject matter of this Agreement.

20. COUNTERPARTS

- 20.1 This Agreement and any certificate or other writing delivered in connection herewith may be executed in any number of counterparts and any Party may execute any counterpart, each of which when executed and delivered will be deemed to be an original and all of which counterparts of this Agreement or such other writing, as the case may be, taken together, will be deemed to be one and the same instrument. The execution of this Agreement or any other writing by any Party shall not become effective until all counterparts hereof have been executed by all the Parties.

21. EXECUTION BY FACSIMILE

- 21.1 Each of the Parties will be entitled to rely upon delivery by facsimile, PDF or TIFF of executed copies of this Agreement and any certificates or other writings delivered in connection herewith, and such copies will be legally effective to create a valid and binding agreement among the Parties in accordance with the terms and conditions of this Agreement.

22. TITLES

- 22.1 The titles to the respective paragraphs hereof shall not be deemed as part of this Agreement but shall be regarded as having been used for convenience only.

23. GOVERNING LAW

- 23.1 This Agreement shall be governed by and construed in accordance with the laws of Finland.

24. ENUREMENT

- 24.1 This Agreement shall enure to the benefit of and be binding upon the Parties and each of their successors and permitted assigns, as the case may be. Any transferee of all or a portion of the

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Land Tenements from Aurion, its successors and assigns (including the Finnish Subsidiary), shall acknowledge and subrogate itself to the obligations set out in paragraph 4 hereof.


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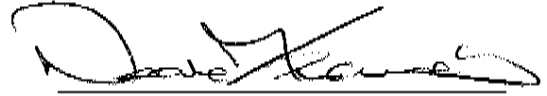


IN WITNESS WHEREOF this Agreement has been executed as of the day and year first above

DRAGON MINING OY


Per:


Authorized Signatory
B. H. Smith


Witness

AURION RESOURCES LTD.

Per:


Authorized Signatory

Mike Basha
Pres + CEO


Witness

SCHEDULE "A"

LAND TENEMENTS

As defined in the Letter of Intent

Project	Tenement ID	Tenement Name	Type	Area (ha)	Annual land owner compensation 50 €/ha
Kutuvuoma	4843	Kutuvuoma	ML	41.049	
	9129/1, Application	Kutuvuoma 4	Claim	56.00	
	9129/2, Application	Kutuvuoma 5	Claim	56.00	
	9275/1, Application	Kutuvuoma 6	Claim	99.67	
	9275/2, Application	Kutuvuoma 7	Claim	98.76	
	9275/3, Application	Kutuvuoma 8	Claim	99.32	
	9275/4, Application	Kutuvuoma 9	Claim	99.79	
	9275/5, Application	Kutuvuoma 10	Claim	99.85	
	9275/6, Application	Kutuvuoma 11	Claim	99.82	
	9275/7, Application	Kutuvuoma 12	Claim	98.64	
	9275/8, Application	Kutuvuoma 13	Claim	99.17	
	9275/9, Application	Kutuvuoma 14	Claim	99.73	
	9275/10, Application	Kutuvuoma 15	Claim	98.39	
	9275/11, Application	Kutuvuoma 16	Claim	73.39	
	9275/12, Application	Kutuvuoma 17	Claim	83.01	
	9275/13, Application	Kutuvuoma 18	Claim	96.87	
	9275/14, Application	Kutuvuoma 19	Claim	99.26	
	9275/15, Application	Kutuvuoma 20	Claim	97.12	
	9275/16, Application	Kutuvuoma 21	Claim	91.00	
	Application	Kutuvuoma North	Res	993.94	
Silasselkä	9202/1, Application	Silasselkä 1	Claim	99.97	
	9202/2, Application	Silasselkä 2	Claim	99.91	
	9202/3, Application	Silasselkä 3	Claim	99.93	
	9202/4, Application	Silasselkä 4	Claim	99.35	
	9202/5, Application	Silasselkä 5	Claim	99.75	
	9202/6, Application	Silasselkä 6	Claim	99.98	
	9202/19, Application	Silasselkä 19	Claim	96.67	
	9202/7, Application	Silasselkä 7	Claim	99.89	
	9202/8, Application	Silasselkä 8	Claim	99.39	
	9202/9, Application	Silasselkä 9	Claim	99.69	
	9202/10, Application	Silasselkä 10	Claim	99.95	
	9202/11, Application	Silasselkä 11	Claim	99.93	
	9202/12, Application	Silasselkä 12	Claim	99.82	
	9202/13, Application	Silasselkä 13	Claim	99.68	
	9202/14, Application	Silasselkä 14	Claim	99.60	
	9202/15, Application	Silasselkä 15	Claim	99.69	
	9202/16, Application	Silasselkä 16	Claim	99.78	
	9202/17, Application	Silasselkä 17	Claim	99.59	
	9202/18, Application	Silasselkä 18	Claim	99.92	
	9201/1, Application	Sopparakka 1	Claim	99.53	
	9201/2, Application	Sopparakka 2	Claim	99.48	
	9201/3, Application	Sopparakka 3	Claim	99.93	
	9201/4, Application	Sopparakka 4	Claim	99.86	
	9201/5, Application	Sopparakka 5	Claim	99.64	
	9201/6, Application	Sopparakka 6	Claim	96.91	
	9201/7, Application	Sopparakka 7	Claim	99.80	
	9201/8, Application	Sopparakka 8	Claim	99.93	
	9201/9, Application	Sopparakka 10	Claim	74.82	
	9201/10, Application	Sopparakka 9	Claim	77.38	
	VA2012:0148-01H	Silaskaira	Res	14,640	
	Application	Silasselkä East	Res	10,293.46	

Modifications performed after the signing of the Letter of Intent.

All modifications approved by Aurion and Dragon Mining

Project	Tenement ID	Tenement Name	Type	Area (ha)	Compensation to the land owner, per year
Kutuvuoma	4843	Kutuvuoma	ML	41.049	50 €/ha
	9129/1, Application	Kutuvuoma 4	Claim	56.00	
	9129/2, Application	Kutuvuoma 5	Claim	56.00	
	9275/1, Application	Kutuvuoma 6	Claim	99.67	
	9275/2, Application	Kutuvuoma 7	Claim	98.76	
	9275/3, Application	Kutuvuoma 8	Claim	99.32	
	9275/4, Application	Kutuvuoma 9	Claim	99.79	
	9275/5, Application	Kutuvuoma 10	Claim	99.85	
	9275/6, Application	Kutuvuoma 11	Claim	99.82	
	9275/7, Application	Kutuvuoma 12	Claim	98.64	
	9275/8, Application	Kutuvuoma 13	Claim	99.17	
	9275/9, Application	Kutuvuoma 14	Claim	99.73	
	9275/10, Application	Kutuvuoma 15	Claim	98.39	
	9275/11, Application	Kutuvuoma 16	Claim	73.39	
	9275/12, Application	Kutuvuoma 17	Claim	83.01	
	9275/13, Application	Kutuvuoma 18	Claim	98.87	
	9275/14, Application	Kutuvuoma 19	Claim	99.26	
	9275/15, Application	Kutuvuoma 20	Claim	97.12	
	9275/16, Application	Kutuvuoma 21	Claim	91.00	
	Application	Kutuvuoma North	Res	993.94	
	Application	Kutuvuoma South	Res	3343.23	
Silasselkä	9202/1, Application	Silasselkä 1	Claim	99.97	
	9202/2, Application	Silasselkä 2	Claim	99.91	
	9202/3, Application	Silasselkä 3	Claim	99.93	
	9202/4, Application	Silasselkä 4	Claim	75.02	
	9202/5, Application	Silasselkä 5	Claim	66.85	
	9202/8, Application	Silasselkä 8	Claim	49.26	
	9202/9, Application	Silasselkä 9	Claim	99.62	
	9202/10, Application	Silasselkä 10	Claim	99.88	
	9202/11, Application	Silasselkä 11	Claim	99.86	
	9202/12, Application	Silasselkä 12	Claim	90.59	
	9202/13, Application	Silasselkä 13	Claim	64.45	
	9202/14, Application	Silasselkä 14	Claim	61.68	
	9202/15, Application	Silasselkä 15	Claim	99.08	
	9202/16, Application	Silasselkä 16	Claim	99.71	
	9202/17, Application	Silasselkä 17	Claim	99.52	
	9202/18, Application	Silasselkä 18	Claim	99.85	
	9202/19, Application	Silasselkä 19	Claim	96.60	
	VA2012:0148-01H	Silaskaira	Res	14,640	
	Application	Silasselkä East	Res	10,293.46	

Res = Reservation; Claim = Claim applications as defined under the 1965 mining act; ML = Mining license.

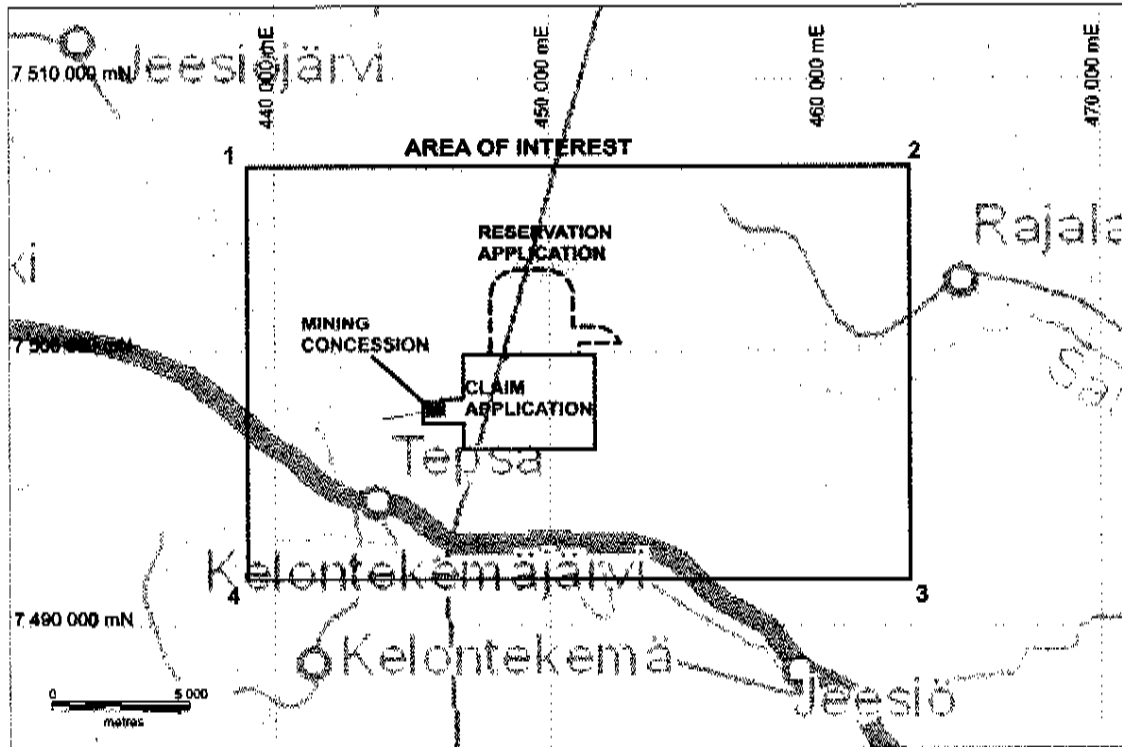
Note: Fees relating to the granting of the Mining Rights and charged by Tukes are not included in the tables in Schedule "A".

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SCHEDULE "B"

AREAS OF INTEREST

Kutuvuoma Project and the Area of Interest as defined in the Letter of Intent.

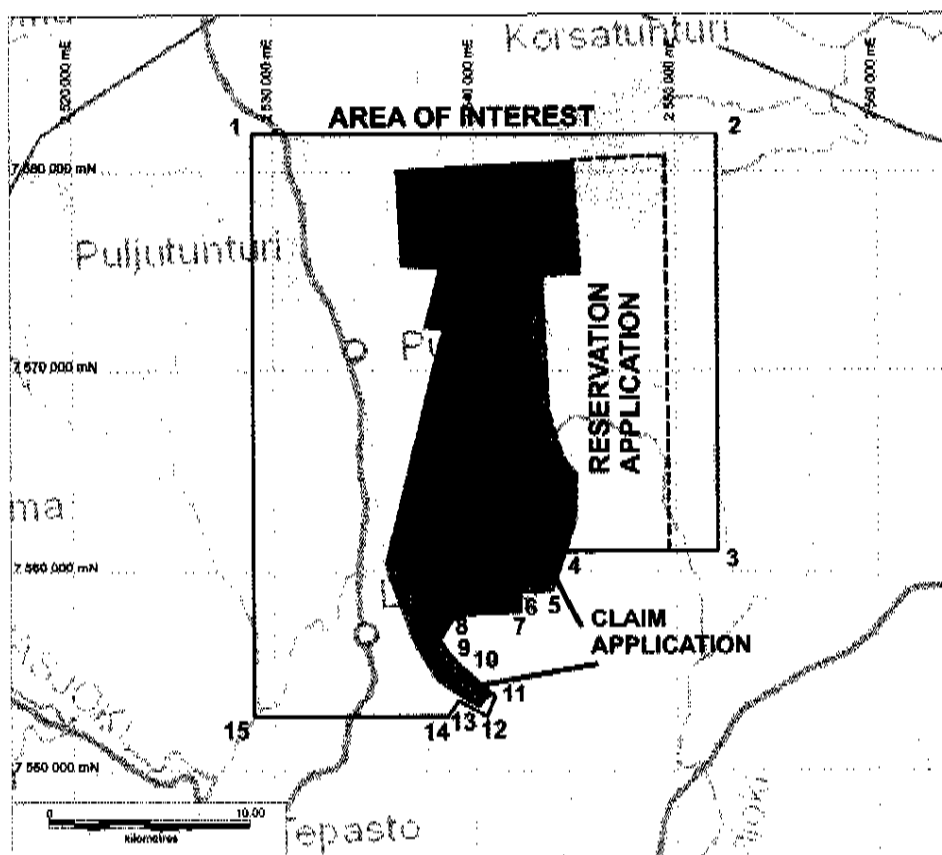


	Easting	Northing
1	2,567,110	7,510,055
2	2,590,515	7,510,055
3	2,590,515	7,496,075
4	2,567,110	7,496,075

Projection: Finnish KKJ Zone 2

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Silasselkä Project and the Area of Interest as defined in the Letter of Intent.



	Easting	Northing
1	2,528,960	7,581,840
2	2,552,060	7,581,840
3	2,552,060	7,560,991
4	2,544,462	7,560,994
5	2,543,815	7,559,037
6	2,542,218	7,558,946
7	2,542,204	7,557,928
8	2,538,931	7,557,792
9	2,538,103	7,556,633
10	2,539,011	7,555,417
11	2,540,945	7,553,722
12	2,540,558	7,552,713
13	2,539,134	7,553,468
14	2,538,606	7,552,721
15	2,528,960	7,552,721

Projection: Finnish KKJ Zone 2

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SCHEDULE "C"

COVENANTS UNDERTAKING

COVENANTS UNDERTAKING

THIS AGREEMENT made the 23rd day of May, 2014,

BETWEEN:

Dragon Mining Limited, a company incorporated under the laws of Australia,

(the "Covenantor"),

OF THE FIRST PART,

-and-

Aurion Resources Limited, a company incorporated under the laws of the Province of Alberta, Canada

(the "Purchaser")

OF THE SECOND PART,

WHEREAS Dragon Mining Oy ("Dragon Mining"), a wholly owned subsidiary of the Covenantor incorporated under the laws of Finland and the Purchaser have entered into a Purchase Agreement dated May 23, 2014, (the "Purchase Agreement");

AND WHEREAS it is a condition of the Purchaser entering the Purchase Agreement and agreeing to proceed to close the transactions contemplated thereby that the Covenantor makes various undertakings with respect to the performance, discharge and/or payment of all Guaranteed Obligations (as defined herein) of Dragon Mining under the Purchase Agreement which are due to or in favour of the Purchaser, from time to time;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the Purchaser entering into the Purchase Agreement, the sum of one dollar now paid by the Purchaser to the Covenantor, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Covenantor covenants and agrees with the Purchaser as follows:

ARTICLE 1 DEFINED TERMS

1.1 Definitions.

In this Agreement, unless otherwise defined, the following words and phrases shall have the meanings described thereto:

"Agreement" means this agreement, including the recitals and all schedules attached to this agreement, as amended or supplemented from time to time, and "hereby", "hereof", "herein", "hereunder", "herewith", "hereto" and similar terms refer to this agreement and not to any particular provision of this agreement;


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"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trustee, trust, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"Purchase Agreement" shall have the meaning ascribed thereto in the recitals to this Agreement;

"Purchase Notice Date" has the meaning set forth in the Purchase Agreement;

"Transaction" means the transaction contemplated by the Purchase Agreement;

Capitalized terms which are used and not otherwise defined herein shall have the same meanings herein as attributed to them in the Purchase Agreement.

ARTICLE 2 GUARANTEE

3.1 The Covenantor hereby irrevocably and unconditionally guarantees to the Purchaser the due and punctual performance and observation by Dragon Mining of its covenants, agreements and obligations under the Purchase Agreement (including all indemnities due to the Purchaser) whether present or future, direct or indirect, absolute or contingent, choate or inchoate, matured or not, and the truth, accuracy, and completeness at all material times of any representations or warranties made by Dragon Mining as if the same had been made directly by the Covenantor (such guaranteed covenants, agreements, obligations, representations, warranties, and indemnity liability to the Purchaser being collectively called the **"Guaranteed Obligations"**).

3.2 This Agreement shall be a continuing guarantee of all of the Guaranteed Obligations. It shall not be considered as wholly or partially satisfied by the performance of an obligation by, or on behalf of, the Covenantor or by the payment at any time of any sum of money for the time being due or remaining unpaid to the Purchaser.

3.3 The Purchaser shall not be bound to exhaust its recourse against Dragon Mining or any securities or other guarantees it may at any time hold before the Purchaser will be entitled to performance of the Guaranteed Obligations and payment from the Covenantor under this Agreement, and the Covenantor renounces all benefits of discussion and division.

3.4 Upon the first written demand by the Purchaser stating that there has been a non-performance of a Guaranteed Obligation, the Covenantor shall forthwith perform, or cause to be performed, or forthwith pay, as the case may be, all of the Guaranteed Obligations in respect of which the demand is made. The Covenantor liability to perform, or cause to be performed, or to make a payment to the Purchaser under the Guarantee shall arise forthwith after demand as aforesaid has been made in writing by or on behalf of the Purchaser on the Covenantor. Hence this Agreement constitutes a first demand guarantee (in Finnish "first demand – takuu") on which the Finnish Act on Guarantees and Pledges for External Debt (361/1999, as amended) is not applicable. Because this is a first demand guarantee and therefore our independent obligation, we shall have no right to contest your right under the Agreement or otherwise to the amount you may demand from us hereunder. Any and all payments to which you are entitled to from us hereunder shall be paid by us to you on your first written demand as set forth herein, and such payments

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shall not be subject to any litigation in or decisions or judgments from any court or arbitration court, nor shall it be subject to any approval of Dragon Mining or any other entity.

3.5 The guarantee shall not be discharged or otherwise affected by any loss of capacity of the Covenantor, by any change in the name of the Covenantor or in the objects, capital structure or constitution of the Covenantor, by the sale of the Covenantor's Securities or any part thereof, by the Covenantor being amalgamated with a corporation generally, or by any other circumstance which might constitute in whole or in part a defence available to or a discharge of, the Covenantor or any other person in respect of the Guaranteed Obligations. Notwithstanding any such event, the Guarantee this Agreement shall continue to apply to all Guaranteed Obligations whether theretofore or thereafter incurred.

3.6 Any Guaranteed Obligation that may not be recoverable by the Purchaser from Dragon Mining as a guarantor shall be recoverable from the Covenantor as a principal covenantor, warrantor, indemnifier, representor or debtor under this Agreement.

3.7 In the event of any sale, transfer or other disposition of all or substantially all of its assets, or in the event of the winding up or bankruptcy, or any other insolvency proceeding, of Dragon Mining, the purchaser shall rank in priority to the Covenantor for its claim in respect of the Guaranteed Obligations, if any, and to receive all dividends or other payments in respect thereof until its claim has been paid in full; all without prejudice to its claim against the Covenantor who shall continue to be liable for any remaining unpaid balance of the Guaranteed Obligations.

3.8 All present and future debts, liabilities and obligations of Dragon Mining to the Covenantor including, without limitations, shareholders loans, are postponed to the payment of the Guaranteed Obligations.

ARTICLE 3 GENERAL

4.1 No amendment, supplement or waiver of any provision of this Agreement shall in any event be effective unless it is in writing and signed by the Purchaser, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No waiver or act or omission of the Purchaser shall extend to or be taken in any manner whatsoever to affect any subsequent breach of the Covenantor or the rights resulting there from. No delay on the part of the Purchaser in the exercise of any right, power or remedy hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Purchaser of any right, power or remedy shall preclude any other or further exercise thereof or of another right, power or remedy.

4.2 Any provision of this Agreement which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall, to the maximum extent permitted by law, be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

4.3 This Agreement shall be interpreted and governed in all respects by the laws of Finland. The parties agree that all questions or matters in dispute with respect to the provisions of this Agreement shall be submitted to arbitration before the London Court of International Arbitrations pursuant to the London Court of International Arbitration Rules.

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4.4 This Agreement shall enure to the benefit of and be binding upon the Purchaser and its successors, and the Covenantor and its successors.

4.5 The Covenantor shall from time to time on the request of the Purchaser, execute and deliver, under seal or otherwise, all such further agreements, instruments and documents and do all such further acts and things as the Purchaser may require to give effect to this Agreement.

EXECUTION PAGE FOLLOWS

IN WITNESS WHEREOF this Agreement has been executed by the duly authorized officer(s) or director(s) of the Covenantor, executing in such capacity and not in their personal capacity, as of the date first set forth above.

Dragon Mining Limited

Per: 

Name: Brett Smith

Title: Dredor

SCHEDULE "D"
ESCROW AGREEMENT

ESCROW AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, 2014.

AMONG:

AURION RESOURCES LIMITED, a Company incorporated under the laws of Alberta (the "**Purchaser**")

- and -

DRAGON MINING OY, a company incorporated under the Laws of Finland (the "**Vendor**")

- and -

McINNES COOPER, Barristers and Solicitors, having offices in the City of St. John's, in the Province of Newfoundland and Labrador (the "**Escrow Agent**")

WHEREAS pursuant to the provisions of a purchase agreement between the Purchaser and the Vendor dated _____, 2014 (the "**Purchase Agreement**"), the Purchaser agreed to purchase the Land Tenements from the Vendor;

AND WHEREAS pursuant to the Purchase Agreement, the Purchaser agreed that it would deposit with the solicitors for the Purchaser, in escrow, certain of the Consideration Shares (the "**Escrowed Shares**");

AND WHEREAS the Escrow Agent has agreed to hold the Escrowed Shares in trust in accordance with the provisions of this Agreement;

AND WHEREAS capitalized terms which are used and not otherwise defined in this Agreement shall have the same meaning as are given to them in the Purchase Agreement;

NOW THEREFORE THIS AGREEMENT WITNESS that in consideration of the mutual covenants and premises herein set forth, the parties hereto mutually covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless otherwise defined, the following words and phrases shall have the meanings described thereto:

"**Agreement**" means this agreement, including the recitals and all schedules attached to this agreement, as amended or supplemented from time to time, and "hereby", "hereof", "herein", "hereunder", "herewith", "hereto" and similar terms refer to this agreement and not to any particular provision of this agreement;

"**Business Day**" means a day other than Saturdays, Sundays and statutory holidays in the Province of Newfoundland and Labrador and in Finland;

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"Control" means, with respect to a Person, the ability, directly or indirectly through one or more intermediaries or other Persons, to direct or cause the direction of the management and policies of such person through:

- (a) the legal or beneficial ownership of voting securities, partnership interests or other similar or equivalent ownership interests in a Person;
- (b) the right or ability to appoint or elect a majority of the directors, trustees, managing directors, managers or partners (including directors of a general partner) or individuals of a comparable position of such Person; or
- (c) the right or ability to appoint the management of such Person;

and **"Controlled"** means, with respect to a Person, being subject to the Control of another;

"Escrowed Shares" shall have the meaning given to it in the recitals to this Agreement;

"Parties" means each of the parties to this Agreement;

"Person" includes an individual, partnership, firm, trust, body corporate, Government Entity, unincorporated body of persons or association; and

"Purchase Agreement" shall have the meaning given to it in the recitals to this Agreement;

"Release Date" means the date which is 18 months after the date of the issuance of the initial 2,000,000 Consideration Shares in accordance with the provisions of the Purchase Agreement.

1.2 Headings

The division of this Agreement into articles, sections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

1.3 Section References

Unless the context otherwise requires, references in this Agreement to an article, section, paragraph, clause, subclause or schedule, by number, letter or otherwise refer to the article, section, subsection, paragraph, clause, subclause or schedule, respectively, bearing that designation in this Agreement.

1.4 Gender, Plural and Derivatives

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa; words importing gender shall include both genders and the neuter. If a term is defined in this Agreement, a derivative of that term shall have a corresponding meaning.

1.5 Date for Actions

In the event that the date on which any notice must be given or any action is required to be taken hereunder by any of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

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1.6 Statutes

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.7 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in Euros.

1.8 Enforceability

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally and the discretionary nature of certain remedies (including specific performance and injunctive relief).

1.9 Other Interpretation Matters

- (a) Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.
- (b) The words "hereof", "herein", "hereto", "hereinafter", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular section or portion of it.

**ARTICLE 2
ESCROWED SHARES**

2.1 Deposit with Escrow Agent

On any Consideration Shares being issued by Aurion in accordance with the Purchase Agreement during the 18 month period following the Effective Date, Aurion shall forthwith deliver such shares to the Escrow Agent. The Escrow Agent shall provide written notice of receipt to the Vendor and the Purchaser.

2.2 Release

The Escrowed Shares shall remain with the Escrow Agent to be released to the Vendor on the earlier of:

- (i) the Release Date;
- (ii) the date the Purchase Agreement is terminated by the Vendor in accordance with Section 10.1 of the Purchase Agreement; and
- (iii) the change of Control of the Purchaser.

In addition, the Escrow Agent shall immediately release the Escrowed Shares to the applicable Party on the written direction of the Vendor and the Purchaser.

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ARTICLE 3
RIGHTS AND IMMUNITIES OF ESCROW AGENT

3.1 Rights and Immunities of Escrow Agent

Notwithstanding anything to the contrary herein contained, the Purchaser and the Vendor agree as follows:

- (a) The Escrow Agent shall be entitled, without further inquiry, to rely solely upon the terms of this Agreement, any court order or arbitrator's decision or the joint authorization of the Purchaser and the Vendor as to any matter relating to the release of the Escrowed Shares pursuant to this Agreement.
- (b) The Escrow Agent shall not be liable to any Party or to any other person, for any action taken or omitted to be taken by it in good faith and in the exercise of its reasonable judgment and any act done or omitted by it pursuant to the advice of any legal counsel it may employ shall be conclusive evidence of such good faith. The Escrow Agent may at any time consult with independent legal counsel of its own choice in any such matters, shall have full and complete authorization and protection from any action taken or omitted by it hereunder in accordance with the advice of such legal counsel and shall incur no liability for any delay reasonably required to obtain the advice of such legal counsel.
- (c) The Purchaser and the Vendor jointly and severally indemnify the Escrow Agent for, and shall hold it harmless against, any loss, liability, cost or expense (including reasonable fees and disbursements of legal counsel), reasonably incurred by it without gross negligence, misconduct or bad faith on its part, arising out of or in connection with this Agreement, including the costs and expenses of defending itself against any claim or liability in connection with any such matter.
- (d) The Escrow Agent shall have no duty to know or determine the performance or non-performance of any provision of this Agreement, the Purchase Agreement or any other agreement, except as expressly required or contemplated in the performance by the Escrow Agent of its functions under this Agreement. The duties and responsibilities of the Escrow Agent are limited to those expressly stated herein.
- (e) Should any controversy arise between the Parties with respect to this Agreement or with respect to the right to receive the Escrowed Shares, the Escrow Agent shall have the right to institute an interpleader in any court of competent jurisdiction.
- (f) In the event of any conflicting demands or claims with respect to the subject matter of this Agreement, the Escrow Agent shall have the right to discontinue all further acts until such conflicts are resolved, and the further right to commence or defend any action or proceeding for the determination of such conflict, including, without limitation of the foregoing, a suit or action in interpleader. In the event that the Escrow Agent should commence any action to determine any such conflict between the Parties, including but not limited to an action in the nature of an interpleader upon deposit of the Escrowed Shares delivered to it hereunder with a court of competent jurisdiction, the Escrow Agent shall be ipso facto released and discharged from any and all duties and obligations imposed upon the Escrow Agent hereunder with respect to the subject matter of such action.
- (g) The provisions of this Section 3.1 are not intended to and shall not restrict or remove any other rights which the Escrow Agent may have at law or in equity to seek relief or direction from the court in addition to such as are expressly set forth herein, and the Escrow Agent is hereby authorized to comply with and obey any process, order, judgment or decree of a court of law or arbitral body, notwithstanding the terms of this Agreement.

3.2 Resignation of Escrow Agent

The Escrow Agent may resign from its position at any time upon 30 days written notice to the other Parties. Upon such resignation, the Escrow Agent shall take such steps as are necessary to deliver the Escrowed Shares to a successor escrow agent agreed to by the Purchaser and the Vendor or appointed by a court of competent jurisdiction.

ARTICLE 4 NOTICE

4.1 Addresses for relieving

All Escrowed Shares, if and when required to be released to the Vendor or the Purchaser, as the case may be, shall be so released, at their respective addresses for notice hereunder or such other place or depository as the Vendor or Purchaser, as the case may be, may request by written notice to the Escrow Agent.

4.2 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to any other Party shall be in writing and shall be delivered by mail, hand delivery or facsimile transmission, addressed to the Party to whom the notice is to be given, at its address for service herein. Any notice, consent, waiver, direction or other communication aforesaid shall, if hand delivered or delivered by telex or facsimile transmission, be deemed to have been given and received on the date on which it was hand delivered or delivered by facsimile transmission to the address provided herein if prior to 4:30 p.m. (local time at the place of delivery) on a business day and, if not, the next succeeding business day and if delivered by mail shall be deemed to be given and received on the date that is 4 business days after it was deposited in the mail.

4.3 Address for Service

The address for service of each of the Parties shall be as follows:

(a) if to the Vendor:

Kummunkuja 38
38200 Sastamala, Finland

Attention: The Directors

(b) if to the Purchaser:

120 Torbay Road, Suite W240
St. John's, NL A1A 2G8

Attention: Mike Basha

(c) if to the Escrow Agent:

McInnes Cooper
5th Floor, 10 Fort William Place
P.O. Box 5939
St. John's, NL A1C 5X4

Attention: Dennis N. Clarke

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Facsimile: (709) 724-8282

or such other address as may be designated by notice to the other Parties.

Any such Notice shall be deemed to have been given or made and to have been received on the day of its delivery or transmission, as the case may be, provided that such day is a business day and that such Notice is received prior to 4:00 p.m., local time, and, if not, on the first business day thereafter.

ARTICLE 5 MISCELLANEOUS

5.1 No Third Party Beneficiaries

Nothing in this Agreement is intended to, and nothing in this Agreement shall be interpreted or construed to:

- (a) entitle any person other than a Party to a right or a remedy against a Party; or
- (b) confer any benefit upon any person that is not a Party,

unless the contrary is specified or provided for elsewhere in this Agreement.

5.2 Confidentiality

The Parties agree that they will keep the terms of this Agreement and any information provided hereunder confidential and not disclose same to any person without the prior written consent of other Parties or as otherwise required by law.

5.3 Entire Agreement

This Agreement, together with the specific provisions contained in the Purchase Agreement with respect to the Escrowed Shares, contain the entire agreement of the Parties with respect to such matters, and cancels and supersedes all prior agreements and understandings between the Parties with respect to the subject matter hereof.

5.4 Construction

This Agreement was negotiated by the Parties with the benefit of legal representation and any rule or construction of law requiring this Agreement to be construed or interpreted against any Party shall not apply to any construction or interpretation of this Agreement.

5.5 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of another Party, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

5.6 Time

Time shall be of the essence in this Agreement.

5.7 Amendments

This Agreement may only be amended by a written instrument signed by the Parties.

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5.8 Governing Law

This Agreement shall be governed by, and be construed in accordance with, the laws of Finland. The parties agree that all questions or matters in dispute with respect to the provisions of this Agreement shall be submitted to arbitration before the London Court of International Arbitrations pursuant to the London Court of International Arbitration Rules.

5.9 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

5.9 Waiver

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter and the occurrence thereof specifically identified and shall not extend to any other matter or occurrence,

5.10 Enurement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns.

5.11 Execution in Counterpart

This Agreement may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document, all such counterparts shall together constitute, and be construed as, one instrument and each of such counterparts shall, notwithstanding the date of its execution, be deemed to bear the date first written above. A signed counterpart provided by way of facsimile transmission shall be as binding upon the parties as an originally signed counterpart.

EXECUTION PAGE FOLLOWS

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IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date first above written.

DRAGON MINING OY

Per: _____

Brett Smith

AURION RESOURCES LIMITED

Per: _____

McINNES COOPER

Per: _____

SCHEDULE "E"

NET SMELTER RETURNS

1. OBLIGATION

- 1.1 Should Aurion begin Production on the basis of the Land Tenements, or any successor tenements, Aurion shall separately calculate, as at the end of each calendar quarter, the Net Smelter Returns.
- 1.2 Aurion shall within 60 days of the end of each calendar quarter, as and when any Net Smelter Returns are available for distribution:
 - (a) pay or cause to be paid to Dragon Mining three per cent (3%) of the Net Smelter Returns related to minerals extracted as a result of the Land Tenements;
 - (b) deliver to Dragon Mining a statement indicating the amount of Net Smelter Returns to which Dragon Mining is entitled.
- 1.3 If Aurion extends, renews, converts or substitutes any tenement described in the Land Tenements for a new tenement, Aurion shall execute any deed or agreement requested by Dragon Mining confirming that this agreement applies to the new tenement.

2. NET SMELTER RETURNS

- 2.1 "Net Smelter Returns" shall mean the actual proceeds received by Aurion from any mint, smelter, refinery or other purchaser for the sale of ores, metals (metals shall include bullion) or concentrates produced from the Land Tenements, or any successor tenements, and sold, after deducting from such proceeds the following charges to the extent that they were not deducted by the purchaser in computing payment: smelting and refining charges; penalties; smelter assay costs and umpire assay costs; cost of freight and handling of ores, metals or concentrates from the Land Tenements, or any successor tenements, to any mint, smelter, refinery, or other purchaser; marketing costs; insurance on all such ores, metals or concentrates; customs duties; severance, royalties, ad valorem or mineral taxes or the like and export and import taxes or tariffs payable in respect of said ores, metals or concentrates.
- 2.2 No error in accounting or in interpretation of the Agreement shall be the basis for a claim of breach of fiduciary duty, or the like, or give rise to a claim for exemplary or punitive damages or for termination or rescission of the Agreement or the estate and rights acquired and held by Aurion under the terms of the Agreement.
- 2.3 Aurion shall have the right to suspend Production and the obligation to pay a Net Smelter Return during periods of "Economic Force Majeure". "Economic Force Majeure" shall mean periods during which the price of gold, copper or other commodity is too low to allow economic recovery and sale of such by Aurion.

SCHEDULE "F"

SERVICES AGREEMENT TERMS

Aurion has the opportunity to use services provided by Dragon Mining.

Dragon Mining has no obligation to provide services.

Personnel costs are charged according to Table 1. The rates presented in Table 1 are valid for 2014. Rates will be reviewed annually.

Table 1 - Personnel Rates

Personnel	Hourly rate, €
Geotechnician	40
Geologist, intermediate	50
Geologist, senior	60
Data manager	50
Manager	100

Table 2 - Listed services:

Service	Daily rate, €
Use of Surpac	50 € per day or part thereof
Use of Leapfrog	50 € per day or part thereof
Cars	30 € fixed + 0.3 € per km
Precision GPS	80 € per day

Other services and costs will be charged as they occur or as agreed.

Administration fee of 10% will be added to all costs with the following exceptions.

1. No administration fee will be added to the landowner compensations payments, which are defined in the Finnish Mining Act.
2. 5% will be added to individual contractors' invoices that exceed 100,000 euros.

Value added tax will be added to the prices presented above.

Invoices issued to be paid within 14 days.

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