

The Canadian Advantage - International Mining Finance

Lex Mundi Annual Conference
Vancouver, BC
September 30, 2010

Farris wishes to acknowledge the assistance of the Toronto Stock Exchange (specifically, Greg Ferron, Senior Manager, Global Mining at the TSX and his colleague Gina Pappano) in providing the statistical data and graphics contained in this presentation.

Farris is solely responsible for the legal content and analysis.

- There is a significant opportunity for other Lex Mundi member firms with international mining clients to work with Farris on a Canadian TSX or TSXV Listing
- This includes, in particular, clients with exploratory and pre-production stage properties in South America, Africa and Asia
- The purpose of today's meeting is to explore this business opportunity

1. Al Hudec – Canada's international dominance in mine finance
2. Mitch Gropper – The Canadian legal regulatory advantage
3. Ron Murray – A favourable regulatory regime – fast access to capital for early stage projects, favourable disclosure standards
4. Trevor Scott – Accessing the TSX or TSXV – Dual listings, IPO's or RTO's, CPC's/SPAC's, M&A Transactions

TSX and TSXV are the Leading International Exchange Group for Mining Financing

Value of Equity Financings

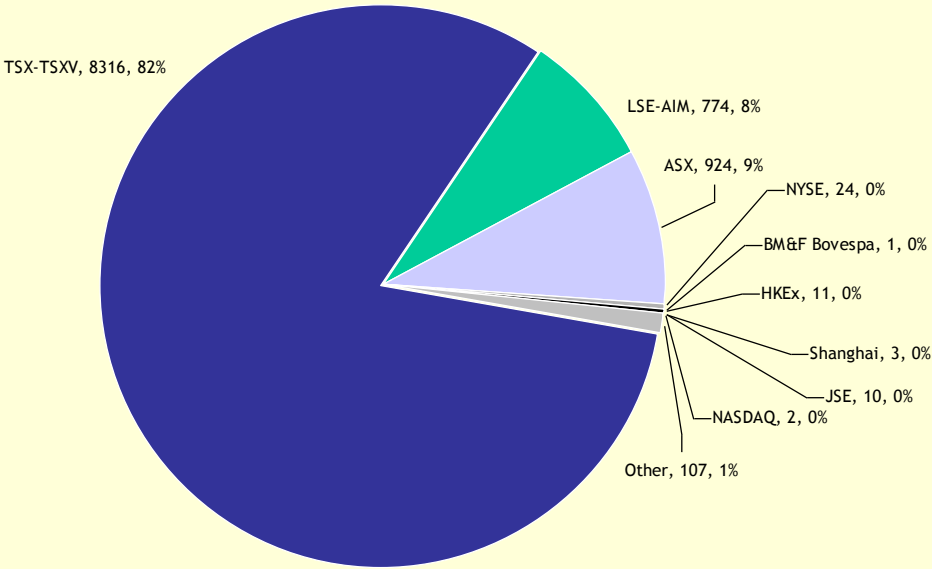
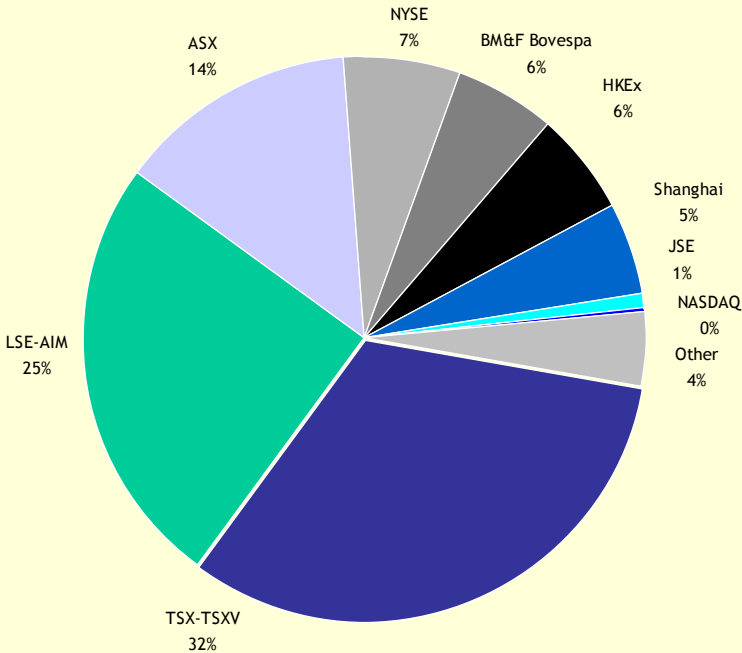
5-Year (2005 to 2009)

Total = \$200.3 Billion

Number of Equity Financings

5-Year (2005 to 2009)

Total = 10,172 Deals



Source: Gamah International, 2005-2009
Compiled by TMX Group

2009: Record Breaking Year for Mining

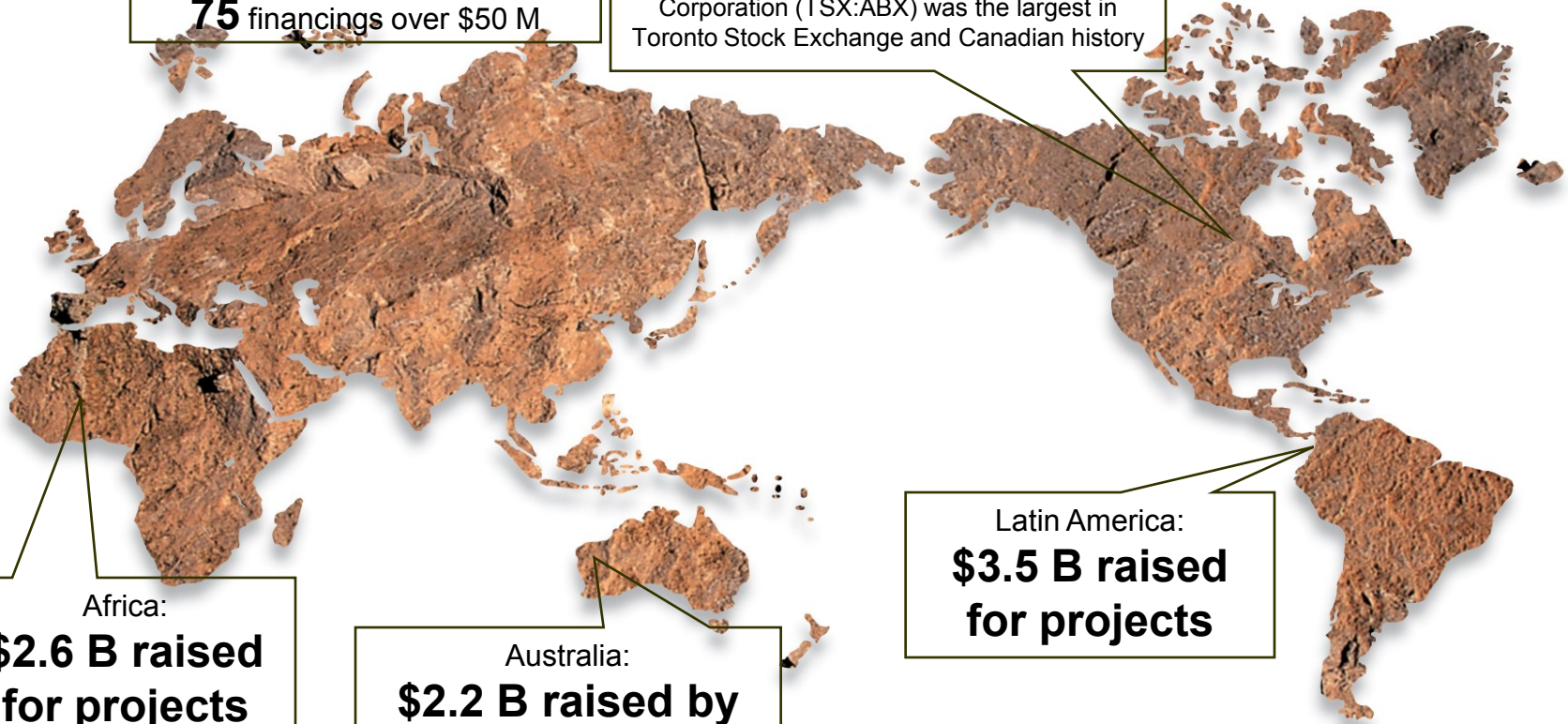
Over **\$22 B** raised on
TSX/TSXV in 2009 for mining
Over **1900** financings
75 financings over \$50 M

North America:
\$4.3 B financing by Barrick Gold
Corporation (TSX:ABX) was the largest in
Toronto Stock Exchange and Canadian history

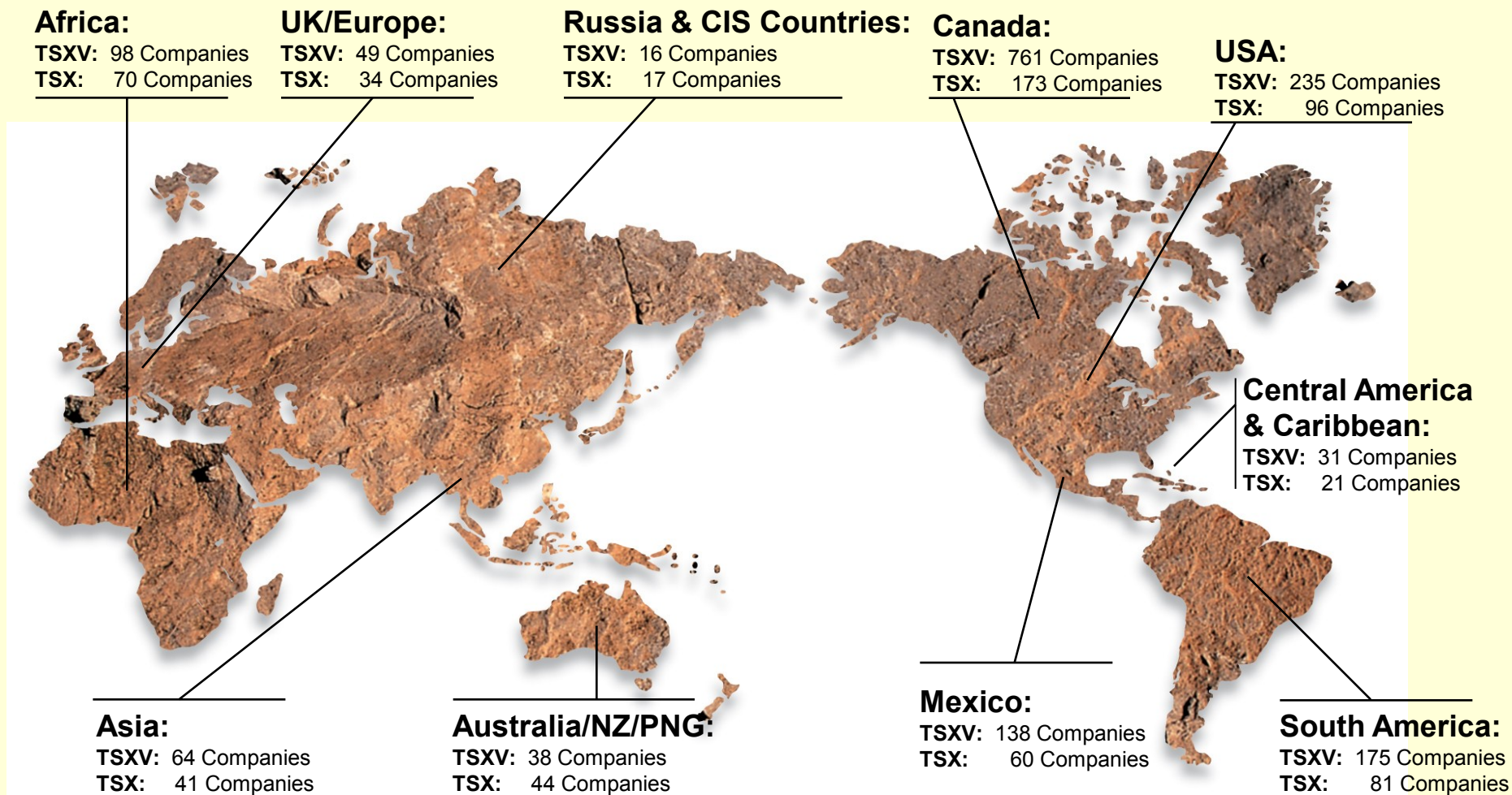
Africa:
**\$2.6 B raised
for projects**

Australia:
**\$2.2 B raised by
Australian cos.**

Latin America:
**\$3.5 B raised
for projects**



TSX / TSXV listings are diverse by geographic location



Source: InfoMine

Top 10 Financings into Africa in 2009

1. Paladin Energy Ltd.: \$400 million raised for uranium in Namibia
2. First Quantum Minerals Ltd.: \$345 million raised for copper and diamond in DRC, Mauritania, Zambia
3. IAMGOLD Corp.: \$345 million raised for gold in Burkina Faso
4. Katanga Mining Ltd.: \$282 million raised for copper in DRC
5. Anvil Mining Ltd: \$200 million for copper in DRC
6. Equinox Minerals Ltd.: \$184 million for copper in Zambia
7. Red Back Mining Inc.: \$165 million for gold in Ghana, Mauritania
8. Banro Corporation: \$117 million for gold in DRC
9. Centamin Egypt Ltd.: \$98 million for gold in Egypt
10. Mantra Resources Limited: \$52 million for uranium in Tanzania, Mozambique

Top 10 Financings for South American Projects in 2009



1. Kinross Gold Corp.: \$516 million raised for gold in Chile and Ecuador
2. Mirabela Nickel Ltd.: \$267 million raised for nickel and copper in Brazil
3. Silver Standard Resources Inc.: \$170 million raised for gold and silver in Argentina
4. Medoro Resources Ltd.: \$102 million raised for gold in Colombia
5. Andean Resources Ltd.: \$90 million raised for gold in Argentina
6. Jaguar Mining Inc.: \$86 million raised for gold in Brazil
7. Rusoro Mining Ltd.: \$80 million raised for gold and copper in Venezuela and Chile
8. Quadra Mining Ltd.: \$78 million raised for gold and copper in Chile
9. Colossus Minerals Inc.: \$72 million raised for gold and platinum group elements in Brazil
10. MBAC Fertilizer Corp.: \$57 million raised for phosphate and potash in Brazil

Mining sector leaders listed on the TSX

9

TICKER	COMPANY	MARKET CAPITALIZATION SEPTEMBER 27, 2010
ABX	Barrick Gold Corporation	\$46.3B
POT	Potash Corporation of Saskatchewan Inc.	\$44.7B
G	Goldcorp Inc.*	\$33.0B
TCK.B	Teck Resources Limited *	\$23.9B
K	Kinross Gold Corporation	\$13.7B
AGU	Agrium Inc.	\$12.5B
AEM	Agnico-Eagle Mines Ltd.	\$11.9B
CCO	Cameco Corporation	\$11.1B
ELD	Eldorado Gold Corporation	\$10.2B
YRI	Yamana Gold Inc.	\$8.4B

* Vancouver Based

Vancouver is head office for many significant mining companies

10

TICKER	COMPANY	MARKET CAPITALIZATION SEPTEMBER 27, 2010
G	Goldcorp Inc.	\$33.0B
TCK.B	Teck Resources Limited	\$23.9B
K	Kinross Gold Corporation	\$13.7B
IVN	Ivanhoe Mines Ltd.	\$11.7B
ELD	Eldorado Gold Corporation	\$10.2B
RBIF:US	Red Back Mining Inc.	\$8.7B
FM	First Quantum Minerals Ltd.	\$6.1B
WTN	Western Coal Corp.	\$1.9B
TTT:US	Terra Nova Royalty Corporation	\$217M
RML	Rusoro Mining Ltd.	\$117M

MITCHELL GROPPER

The Canadian Advantage – Introduction and summary of
Canada's legal and regulatory advantages – Canada as
an entry into the US market

- Our office sees a steady flow of international mining companies visiting Canada to explore the relative merits of the TSX, the NYSE and the AIM markets
- These companies regularly choose a TSX listing or an inter-listing
- What are the Canadian advantages?

- Canada has a reputation for integrity and transparency of markets
- Canada sits beside the U.S. market with the same language (except Quebec) and a similar legal and regulatory system
- Canada provides a workable set of rules for early stage and pre-production companies
- Canada understands resources – largest oil reserves next to Saudi's, largest producer of zinc and uranium

- Offerings can be done in “real time” – same time zone
- Institutional knowledge of the U.S. legal system, accounting rules, regulatory system
- Highly developed infrastructure of bankers, lawyers, engineers, accountants, investment relations experts
- Canadian senior mining executives are known worldwide (Giustra, Friedland, Telfer, etc.)
- High valuations from institutional investors comfortable with the political and project risks associated with projects in Asia, South America and Africa

- Entry into the U.S. capital market – Rule 144A, MJDS
- NI 43-101 Disclosure standards favourable relative to the SEC rules – permit release of technical and economic information on resources not yet at the stage of proven reserves
- Balanced corporate governance model
- IFRS adoption in Canada (2011) permits use of financial statements without U.S. GAAP reconciliation

Underwriting techniques permit fast access to capital

- Fast access to capital – time to market and market risk reduced (even for junior issuers) by bought deals, overnight marketed deals, short form prospectus issuer status and shelf prospectus (cross-border shelf)
- Rule 144A
 - permits underwriter resale in the U.S. to qualified institutional buyers without a U.S. filed prospectus
 - an exemption from registration for distributions as underwriters acquire the securities from issuers in private placements and resell the securities to qualified institutional buyers

- 40% of proceeds in TSX/TSXV mining financings are sourced in the U.S.
- 144A private placement tranche available for concurrent U.S. placement
- full access to the U.S. public market for Canadian companies after one year through MJDS (without SEC vetting of disclosure or SOX compliance) – access to the U.S. “base” shelf system

To qualify under MJDS, an issuer must:

1. be a foreign private issuer incorporated in Canada
2. have at least 12 months of Canadian reporting requirements
3. have >US\$75 million public float

If MJDS eligible:

- can make public offerings in the U.S. by filing a Canadian prospectus and a Form F-10
- will not be subject to SEC review

If not MJDS eligible:

- can make public offerings in the U.S. by filing a Canadian prospectus and a Form F-3
- will be subject to SEC review

RON MURRAY

Details of the Canadian regulatory regime – Form
Prospectus offerings, Shelf offerings, NI 43-101, IFRS

Short Form Prospectus System (POP System)

- Incorporates by reference previously filed public disclosure documents
- Less management time to prepare, less detailed than a long form prospectus
- Abbreviated regulatory review process (3 business days)
- Underwriters can solicit expressions of interest immediately following announcement of the transaction without having to first file the preliminary prospectus
- short timeframe to complete distribution (approximately 3 weeks from inception to closing)

Qualifications

- be a listed reporting issuer in at least one Canadian jurisdiction
- have filed a current AIF and current annual financial statements
- have equity securities listed and posted for trading
- File a one-time notice of intention to qualify

- Aggregate \$-amount of securities are qualified at time of filing base prospectus
- Portions or all of the securities can be issued for a period of 25 months from date of filing base prospectus
- At the time of actual sale, prospectus supplement is filed to distribute specific securities
- Material change reports are deemed to be incorporated by reference in the base shelf prospectus

Unallocated Shelf

- Provides greater options – allows qualification of debt, equity and other securities without a specific allocation among classes of securities qualified
- Only when prospectus supplement is filed is **type** and **amount** of security fixed

National Instrument 43-101 (NI 43-101) – Standards of Disclosure for Mineral Projects

23

- NI 43-101 provides disclosure of “measured”, “indicated” or “inferred” mineral resources – i.e. categories of mineralization that have reasonable prospects for economic extraction but have not been demonstrated to be economically mineable
- U.S. reporting regime is more conservative as mineralization is not permitted to be classified as “proven” or “probable” reserves until a “final” or “bankable” feasibility study has been conducted and necessary permits are in hand
- broadly comparable to JORC Code and SAMREC

- National Instrument 52-107 allows applicants to file financial statements prepared in accordance with IFRS without reconciliation to Canadian GAAP

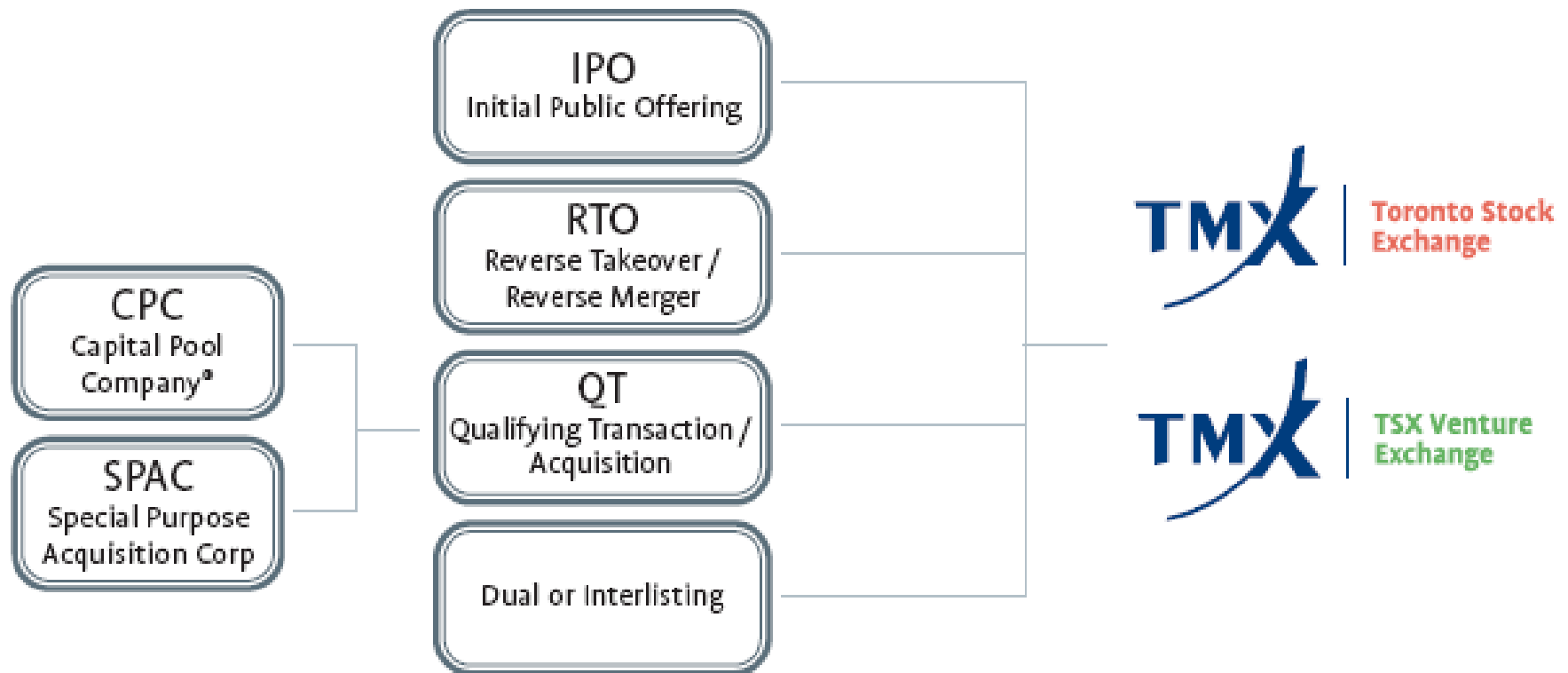
TREVOR SCOTT

How can an international mining company access the
TSX/TSXV – Inter-listings, IPO's, RTO's, CPC's/SPAC's,
M&A transactions

How can international mining companies access TSX?

26

- Companies can access via IPO, Capital Pool Program (CPC), Special Purpose Acquisition Company (SPAC) or Reverse Takeover (RTO)
- Public mining companies dual list on TSX or TSXV and remain listed on home exchange
- Access through an M&A transaction or equity investment



TMX Group has listing criteria specifically for the mining sector

LISTING REQUIREMENTS FOR EXPLORATION & MINING COMPANIES					
TMX TSX Venture Exchange		TMX Toronto Stock Exchange			
Minimum Listing Requirements	TSX Venture Tier 1	TSX Venture Tier 2	TSX Non-exempt Exploration and Development Stage	TSX Non-exempt Producer	TSX Exempt
Property Requirements	Material interest in a Tier 1 property ¹	Significant interest in qualifying property or at discretion of exchange, hold rights to earn a significant interest in qualifying property with \$100,000 expenditures in the past three years by applicant issuer or sufficient expenditures incurred such that the property is a Tier 1 property	Advanced Exploration Property ¹ Minimum 50% ownership in the property ¹	Three years proven and probable reserves as estimated by an independent qualified person (if not in production, a production decision made)	Three years proven and probable reserves as estimated by an independent qualified person
Recommended Work Program	\$500,000 on the Tier 1 property ¹ as recommended by geological report	\$200,000 on the qualifying property as recommended by geological report	\$750,000 on advanced exploration property as recommended in independent technical report	Bringing the mine into commercial production	Commercial level mining operations
Working Capital and Financial Resources	Adequate for work program + 18 mos. C&A ¹ + 18 mos. Property payments to keep Tier 1 property ¹ and principal properties ¹ in good standing +\$100,000 unallocated	Adequate working capital and financial resources including: work program +12 mos. C&A ¹ +12 mos. Property payments to keep qualifying property and principal properties ¹ in good standing +\$100,000 unallocated	Minimum \$2.0 million working capital, but sufficient to complete recommended programs, plus 18 months C&A, anticipated property payments and capital expenditures. Appropriate capital structure	Adequate funds to bring the property into commercial production; plus adequate working capital for all budgeted capital expenditures and to carry on the business. Appropriate capital structure	Adequate working capital to carry on the business. Appropriate capital structure.
Net Tangible Assets, Earnings or Revenue	\$2,000,000 net tangible assets	No requirement	\$3,000,000 net tangible assets	\$4,000,000 net tangible assets; evidence indicating a reasonable likelihood of future profitability supported by a feasibility study or historical production and financial performance	\$1,500,000 net tangible assets; pre-tax profitability from ongoing operations in last fiscal year; pre-tax cash flow of \$700,000 in last fiscal year and average of \$500,000 for past two fiscal years
Other Criteria	Geological report recommending completion of work program or positive feasibility study or production levels exhibiting a likelihood of positive cash flow	Geological report recommending completion of work program	Up-to-date, comprehensive technical report prepared by independent qualified person and 18 month projection (by quarter) of sources and uses of funds, signed by CFO	Up-to-date, comprehensive Technical Report prepared by independent qualified person	
Management and Board of Directors	Management, including the board of directors, should have adequate experience and technical expertise relevant to the company's business and industry as well as adequate public company experience. Companies are required to have at least two independent directors.				
Distribution, Market Capitalization and Public Float	\$1,000,000 held by Public Shareholders; 1,000,000 free trading public shares; 200 Public Shareholders with a Board Lot and no Resale Restrictions; 10% Public Float; 20% of issued and outstanding shares in the hands of Public Shareholders	\$500,000 held by Public Shareholders; 500,000 Free trading public shares; 200 Public Shareholders with a Board Lot and no Resale Restrictions; 10% Public Float; 20% of issued and outstanding shares in the hands of Public Shareholders	\$4,000,000 publicly held 1,000,000 free trading public shares; 300 public holders with board lots		
Sponsorship	Sponsor report may be required (not required for IPOs or certain other exemptions for North American properties)		Required (may be waived if sufficient previous 3 rd party due diligence)	Not required	

Technical Listing Requirements:

- Minimum Property Ownership
- Management Track Record and Experience
- Sufficient Working Capital and/or Mine Life
- NI 43-101 Report
- Exploration & Development or Producing Requirements

This table is an overview. For detailed listing requirements go to www.tsx.com

Dual Listing Market Continues to Evolve on TSX

29

Key Trends

- Growing number of dual listed success stories
- Dual listed cos. have steadily built profile
- Greater interaction between key mining exchanges
- Dual list process continues to improve

Dual Listed Companies:

- Accessed significant capital and trading on the TSX
- Improvements in home market valuations and trading liquidity
- More mines put into production

A Dual Listing is Manageable

30

	TSX	ASX and AIM
Timely Disclosure Obligations	Similar	Similar
Strong Technical Standards	NI 43-101	JORC accepted on TSX
Markets and Investor Relations Approach	Similar	Similar
IFRS Accepted	Yes	Yes
Mining and Public Company Experience	Yes	Yes
Distribution of Material News	3 Step Process	Websites
Audit Committee	More Independence and Certifications	Similar to TSXV
Financials <i>Interim</i> <i>Annual</i>	Quarterly Management Prepared Audited	Half Year Reviewed Audited
Halt Process	Short	Long Halts Allowed
Exemptions Available: <i>TSX</i> <i>Securities Commissions</i>	Yes - less than 25% trading on TSX Yes - ownership threshold	ASX and AIM recognized market Australian and UK recognized jurisdiction

Capital Pool Company™ (CPC) Program has a Strong Track Record

31

Anatomy of a Qualifying Transaction



Since inception:

- Over 2050 CPCs were created
- 80% have completed their QT – over 1600 companies
- Currently:
 - 47 of 82 QTs in 2009 were mining
 - 329 Graduates now trade on TSX

- No operating business at time of IPO, marketed purely on strength of management team
- Market cap must be at least C\$30 million
- Initial investors must hold at least 10% but no more than 20% equity interest
- At least 50% of underwriters' commission must be held in trust until "qualifying acquisition" is completed
- Major difference between CPC and SPAC is that the "qualifying acquisition" for a SPAC must receive majority shareholder approval before proceeding

Recent International Listings are Diverse

33

Argonaut Gold Ltd. (TSX:AR)

- QT and Direct Graduation
- \$150 M Private Placement
- Gold Assets in Mexico
- Reno Based Management Team

MBAC Fertilizer Corp. (TSX:MBC)

- RTO on TSXV and Direct Graduation
- Phosphate and Potash in Brazil
- \$60 M Financing
- Canadian and Brazilian Management Team

Xinergy Ltd. (TSX:XRG)

- Qualifying Transaction and Direct Graduation
- \$60 M Financing
- Coal Producer in the US
- US Based Management Team

Golden Minerals Company (TSX:AUM)

- Engaged in the Advancement of Exploration Projects in Latin America and in Providing Mine Management Services
- Experienced Management Team Based in Golden, Colorado
- Completing Offering Post-Listing

Medusa Mining Limited (TSX:MLL)

- Direct Dual List from ASX on TSX
- Gold Producer in The Philippines

Mantra Resources Limited (TSX:MRL)

- Direct Dual List from ASX on TSX
- Emerging Uranium Company in Tanzania
- \$52 M Offering Post-Listing

Magma Metals Limited (TSX:MMW)

- Direct Dual List from ASX on TSX
- Exploration and Development Company
- Focused in Ontario
- \$13 M Offering Post-Listing

Allied Gold Limited (TSX:ALG)

- ASX Dual List with Takeover Bid
- Gold Producer in PNG
- \$145 M Offering Post-Listing

Graduations from TSXV

- Exeter Resources Corporation (TSX:XRC)
- SouthGobi Energy Resources Ltd. (TSX:SGQ)

Farris Contacts



Mitchell Gropper
(604) 661-9322
mgropper@farris.com



Al Hudec
(604) 661-9356
ahudec@farris.com



Ron Murray
(604) 661-9306
rmurray@farris.com



Trevor Scott
(604) 661-1732
tscott@farris.com