

## ACCOMMODATION AGREEMENT

This Accommodation Agreement is dated the 27<sup>th</sup> of November, 2008

AMONG:

**FRONTENAC VENTURES CORPORATION ("FVC")**

and

**THE ALGONQUINS OF ONTARIO (the "AOO")**

and

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO** as  
represented by the Minister of Northern Development and Mines  
and the Minister of Aboriginal Affairs ("Ontario")

(Collectively, the "Parties")

**WHEREAS** the AOO assert Aboriginal rights and title to lands located in Ontario  
(the "Land Claim Area");

**AND WHEREAS** the AOO-asserted Aboriginal rights and title respecting the  
Land Claim Area are currently the subject of a tripartite comprehensive land claim negotiation  
between the AOO, the Government of Canada and the Government of Ontario;

**AND WHEREAS** FVC holds mining claims on unpatented (Crown) land and a  
mining lease pursuant to the *Mining Act*, R.S.O. 1990, c. M.14 (the "*Mining Act*") in eastern  
Ontario (the "Exploration Lands") which are located in the Land Claim Area;

**AND WHEREAS** FVC, the AOO and Ontario, represented by the Ministry of  
Northern Development and Mines and the Ministry of Aboriginal Affairs agreed to enter into,  
and are participating in, a consultation process respecting FVC's Phase I exploration program to  
the extent that it relates to exploration activities on the Exploration Lands and FVC's application  
for relief from forfeiture pursuant to subsection 185(1) of the *Mining Act*;

**AND WHEREAS** in furtherance of the consultation process among FVC, the  
AOO and Ontario, the Parties make this agreement which provides for accommodation in  
relation to FVC's Phase I exploration program and FVC's application for relief from forfeiture  
and which provides for further consultation respecting FVC exploration activities on the  
Exploration Lands through the Memorandum of Understanding attached as Schedule 1 and  
forming part of this agreement;

**NOW THEREFORE** in consideration of the mutual promises contained in this  
agreement the Parties agree as follows:

### **Application for Relief from Forfeiture**

1. The Parties acknowledge that FVC has applied to the Minister, Ministry of Northern Development and Mines ("MNDM") for relief from forfeiture with respect to the forfeited claims listed in Schedule 2.
2. MNDM officials will recommend to the Assistant Deputy Minister, Mines and Minerals Division of MNDM, who is the decision maker on the application for relief from forfeiture, that FVC be granted relief from forfeiture and an extension of time of one year from the date the order is signed to perform and file the required assessment work in the same form and content as contained in the draft Relief From Forfeiture Decision attached as Schedule 3.

### **Abandonment**

3. FVC will abandon the mining claims listed in the draft Notice of Abandonment attached as Schedule 4 pursuant to section 70 of the *Mining Act* in the same form and content as contained in the attached draft Notice of Abandonment.

### **Withdrawal**

4. MNDM officials will recommend to the Assistant Deputy Minister, Mines and Minerals Division of MNDM, who is the decision maker with respect to withdrawal of lands from mining staking, that the lands which are set out in the attached Schedule 4 will be withdrawn from staking, that the lands set out in Schedule 5 will remain withdrawn from staking, and that the lands subject of the recommended relief from forfeiture decision pursuant to clause 2 will be removed from the current mineral staking withdrawal orders, all in terms substantially the same as those set out in the draft Orders attached as Schedule 6. The lands that are withdrawn from staking pursuant to this paragraph will remain withdrawn pending further discussions at the Algonquin land claim table or other forum or process to which the Algonquin parties and Ontario may agree.

### **Process Timing**

5. Provided that the Assistant Deputy Minister, Mines and Minerals Division of MNDM, has accepted MNDM officials' recommendation pursuant to clauses 2 and 4 above, the Parties will meet on a date and at a time to be agreed upon ("the Closing Date") to execute and exchange the documents contemplated in clauses 2-4 above.
6. Provided that the form and content of the documents are in accordance with Schedules 3, 4 and 6, the parties shall execute and exchange the documents on the Closing Date.

### **Memorandum of Understanding**

7. The Parties will execute the Memorandum of Understanding attached as Schedule 1 to this agreement on the same date as this agreement is executed. The executed MOU will be held in escrow by Fasken Martineau DuMoulin, LLP, pending execution and exchange of documents on the Closing Date as contemplated by clause 6.

**Termination of Agreement**

8. This agreement shall be terminated and deemed to no longer be of force and effect if the Closing Date contemplated by clause 5 does not proceed or if the documents contemplated in clause 6 are not executed and exchanged on the Closing Date.
9. If this agreement is terminated pursuant to clause 8 above, FVC is entitled to request that the Assistant Deputy Minister, Mines and Minerals Division of MNNDM make a decision with respect to FVC's application for relief from forfeiture on all claims listed in Schedule 2, commence a judicial review of any decision with respect to relief from forfeiture or pursue any other remedy available to it under the *Mining Act* or otherwise.

**Confidentiality**


10. The discussions surrounding this agreement and the discussions and activities conducted pursuant to the consultation process set out in the attached Memorandum of Understanding are confidential to the parties unless there is a statutory or other legal obligation, including any consultation obligations, to disclose, or unless the Parties agree otherwise, except that this agreement including the schedules, the discussions surrounding this agreement, the discussions and activities conducted pursuant to the consultation process set out in the attached Memorandum of Understanding, and any resulting accommodation measures, are not subject to settlement privilege and may be tendered as evidence in any legal proceeding.
11. Nothing in this agreement, including the attached schedules that form part of this agreement, should be construed as an admission of liability or legal position including, without limiting the generality of the foregoing, respecting the existence, non-existence, nature or scope of any rights or consultation obligations, but this clause does not in any way restrict a Party from asserting that this agreement is evidence of consultation and accommodation.

**Execution of Agreement**

12. This Agreement may be executed in any number of counterparts, and each of such counterparts shall constitute an original of this Agreement and all such counterparts together shall constitute one and the same Agreement. This Agreement or counterparts hereof may be executed by fax, and the parties adopt any signatures provided or received by fax as original signatures of the applicable party or parties.

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

**FRONTENAC VENTURES CORPORATION**

By:   
George White, President

**THE ALGONQUINS OF ONTARIO**

By: \_\_\_\_\_  
Robert J. Potts  
Principal Negotiator

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by the MINISTER OF NORTHERN DEVELOPMENT AND MINES and as represented by the MINISTER OF ABORIGINAL AFFAIRS**

By: \_\_\_\_\_  
Christine Kaszyold  
Assistant Deputy Minister, Mines and Minerals, Ministry of Northern Development and Mines

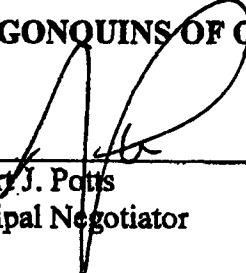
\_\_\_\_\_  
Doug Carr  
Assistant Deputy Minister, Negotiations and Reconciliation Division,  
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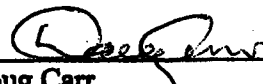
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\_\_\_\_\_  
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Ministry of Aboriginal Affairs

**SCHEDULE 1**

**MOU**

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is dated this 27<sup>th</sup> day of November 2008.

BETWEEN:

**FRONTENAC VENTURES CORPORATION ("FVC")**

and

**THE ALGONQUINS OF ONTARIO ("AOO")**

(Collectively, the "Parties")

**WHEREAS** the AOO assert Aboriginal rights and title to lands located in Ontario (the "Land Claim Area");

**AND WHEREAS** the AOO-asserted Aboriginal rights and title respecting the Land Claim Area are currently the subject of a tripartite comprehensive land claim negotiation between the AOO, the Government of Canada and the Government of Ontario;

**AND WHEREAS** FVC holds mining claims on unpatented (Crown) land and a mining lease pursuant to the *Mining Act*, R.S.O. 1990, c. M.14 (the "*Mining Act*") in eastern Ontario (the "Exploration Lands") which are located in the Land Claim Area;

**AND WHEREAS** FVC, the AOO and Her Majesty the Queen in Right of Ontario as represented by the Ministry of Northern Development and Mines and the Ministry of Aboriginal Affairs agreed to enter into, and are participating in, a consultation process respecting FVC's Phase I exploration program to the extent that it relates to exploration activities on the Exploration Lands and FVC's application for relief from forfeiture pursuant to subsection 185(1) of the *Mining Act*;

**AND WHEREAS** in furtherance of the consultation process among FVC, the AOO and Her Majesty the Queen in Right of Ontario as represented by the Ministry of Northern Development and Mines and the Ministry of Aboriginal Affairs, the Parties are entering into an Accommodation Agreement and this Memorandum of Understanding ("MOU");

**AND WHEREAS** the terms of the MOU apply specifically and only to FVC's Phase 1 exploration activities on the Exploration Lands and provide for further consultation and potential accommodation respecting exploration activities on the Exploration Lands;

**AND WHEREAS** FVC's Phase 1 exploration program consists of trail assessment, trail preparation, ground surveying, geological mapping, site preparation and diamond drilling. A map of the entire area that indicates the Exploration Lands, other lands in the area, the general location of the drill holes for FVC's Phase 1 exploration program and the currently known Algonquin values in the area including gathering and harvesting areas is attached as Schedule 1;

**AND WHEREAS** the MOU provides the framework and a mechanism for: (a) ameliorating and accommodating Algonquin concerns; (b) ongoing information sharing and meaningful discussions among the parties respecting on the ground issues; (c) implementing appropriate restoration measures respecting exploration activities; and (d) promoting a mutually respectful and beneficial relationship;

**AND WHEREAS** the Parties wish, as a matter of principle, to establish a respectful, meaningful and constructive relationship through the implementation of this MOU;

**NOW THEREFORE** in consideration of the mutual promises contained in this agreement the parties agree as follows:

#### **A.**

##### **Environmental Issues**

- (a) During the Phase 1 exploration, there will be no clear cutting and access to drill sites will be by way of trails only;
- (b) FVC will comply with all legislative and regulatory requirements applicable to its exploration activities;
- (c) FVC will conduct its exploration activities in accordance with environmental best practices: (a) as reflected in the Prospectors and Developers Association of Canada Environmental Excellence in Exploration (PDAC E3); and (b) consistent with any guidelines published by the Ministry of Northern Development and Mines ("MNDM");
- (d) FVC will employ the mitigation measures attached as Schedule "A";
- (e) Within the first week of the initial drilling (and when otherwise required and agreed upon by the Steering Committee), the environmental expert retained by the AOO (funded by Ontario further to clause G(i)) may attend at the drilling site to confirm that environmental best practices are being implemented;
- (f) FVC will seek input from, and engage in collaborative discussions with, the AOO respecting environmental issues through the Steering Committee process; and
- (g) The parties will implement a mechanism for monitoring environmental issues through the Steering Committee process.

#### **B.**

##### **Medicinal and Other Plants**

- (a) FVC will seek input from, and engage in collaborative discussions with the AOO respecting trail and drill site specific medicinal plants or other plants of cultural interest through the Steering Committee process.

**C.**  
**Harvesting**

- (a) FVC will seek input from, and engage in collaborative discussions with, the AOO about the impact of specific drilling on wildlife habitat, fish habitat, bird species and reptiles through the Steering Committee process;
- (b) On the ground exploration activities will not take place during the two week sport hunting season in November and at other times agreed upon by the parties; and
- (c) In the event that members of the AOO (in groups of 8 or less) wish to harvest on the Exploration Lands either of the Algonquin Negotiation Representatives of Sharbot Lake (Shabot) and Ardoch (Snimikobe) (hereinafter and throughout this MOU collectively referred to as the "ANRs") shall provide FVC's Project Manager 10 days' notice of this desire and the specific location within the Exploration Lands in which harvesting intends to take place. The harvesting activities will be arranged through collaborative discussions between either of the ANRs and FVC. Such harvesting activities will not: (i) take place at the same time as any harvesting by other Algonquins pursuant to other agreements (unless collectively there will be a group of 8 or less); (ii) take place within 1 kilometer of FVC's exploration activities; (iii) interfere in any way with FVC's exploration program and activities; and (iv) expose FVC's employees/agents/contractors to risk of injury.

**D.**  
**Drilling**

- (a) The footprint for the drill pad will be approximately five meters by five meters;
- (b) The diameter of the drill hole will be approximately 2.5 inches;
- (c) The depth of the drill holes will be between approximately 50 and 125 meters;
- (d) FVC will not conduct exploratory drilling on mining claim 4242212 during its Phase 1 exploration program;
- (e) FVC will comply with all legislative and regulatory requirements applicable to exploratory drilling activities;
- (f) FVC will operate in accordance with exploratory drilling best practices consistent with any guidelines or recommendations published by MNDM;
- (g) Within the first week of the initial drilling (and when otherwise required and agreed upon by the Steering Committee), a maximum of two

Algonquin representatives selected by the ANRs after consultation with the AOO may attend at the drilling site with the environmental expert (see clause A(e) above) to confirm that drilling best practices are being followed. The maximum representation applies collectively to this MOU and any other agreement;

- (h) Once a bore hole drilled during FVC's Phase 1 exploration program on the Exploration Lands is geologically-inactive, it will be filled, sealed and capped using enviro-plug grout or a similar product designed specifically for environmentally safe filling of the drill holes and capping;
- (i) FVC will comply with all health and safety and other regulatory requirements respecting the use of the drill;
- (j) Through the Steering Committee process, the AOO will share information, and engage in collaborative discussions, respecting the location of drill pads; and
- (k) The parties will implement a mechanism for monitoring drilling on the Exploration Lands through the Steering Committee process.

#### E.

#### Burial and Culturally Significant Sites

- (a) FVC will seek from the AOO local and traditional knowledge about potential burial or other archeologically/culturally significant sites through the Steering Committee process;
- (b) FVC will comply with the requirements of the *Cemeteries Act* and the *Ontario Heritage Act*;
- (c) In the event that FVC discovers anything in the course of its Phase 1 exploration program on the Exploration Lands that could indicate a burial or culturally significant site, it will stop those exploration activities immediately and notify the Steering Committee as soon as is reasonably possible; and
- (d) Excepting any statutory or other obligations of disclosure or court order, information respecting a discovery as described in (c) above will not be disclosed publicly without the express written consent of the ANRs.

#### F.

#### Restoration

- (a) FVC agrees to engage in reasonable and appropriate clean-up, restoration and re-vegetation activities (collectively "restoration") arising from the Phase 1 exploration program on the Exploration Lands;