

CLOSED MINING PLEDGE OVER FUTURE PRODUCTIONS CONTRACT

By and between

RED EAGLE MINING DE COLOMBIA LIMITED
As "PLEDGOR"

and

LIBERTY METALS & MINING HOLDINGS, LLC
As "SECURED CREDITOR"

October 22, 2012

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Among the Undersigned:

(i) Red Eagle Mining De Colombia Limited, a corporation incorporated under the Laws of British Columbia, Canada, and with domicile in Vancouver, British Columbia (the "Pledgor") whom in this Contract acts by means of its Branch (as it is defined below) Red Eagle Mining De Colombia Limited Sucursal Colombia, branch of a foreign corporation, duly registered in the Chamber of Commerce of Medellín, domiciled in Medellín, identified with NIT No. 900.391.892-4 (Hereinafter the "Branch"), represented by Rafael Guillermo Silva Silva, identified with identification number 91.247.890, domiciled in Ibagué; and

(ii) [REDACTED], of age, domiciled in [REDACTED], identified with identification number No. [REDACTED], whom in its condition of Legal Representative, acts on behalf of the Secured Creditor, a corporation duly incorporated under the Laws of [REDACTED], identified with No. [REDACTED] and domiciled in [REDACTED] (the "Secured Creditor"), all together the "Parties" and individually the "Party", have executed this closed mining pledge over future productions contract (hereinafter the "Contract") which will be governed by and under the terms and conditions hereby established and if not provided herein, by the valid rules on this matters, provided herein

CHAPTER I
BACKGROUND AND CONSIDERATIONS

(i) Whereas, in accordance with Clause 2.1.2 of the Royalty Purchase Agreement (as defined below) Red Eagle Mining Corporation must cause the Pledgor through the Branch to execute, in favor of the Secured Creditor a mining pledge over the Future Productions (as defined Below) from the Concession Contracts (as defined below) under the terms and conditions provided therein.

(ii) Whereas, in accordance with the obligation of executing pledge mentioned in provision (i) above Red Eagle Mining Corporation will cause the Pledgor through the Branch to execute a pledge over the Future Productions under the terms and condition provided in this Contract through the Pledgor.

(iii) Whereas, Red Eagle Mining Corporation is the owner company of the Pledgor.

(iv) Whereas, the Pledgor is the titleholder of the Concession Contracts, as provided in Annex 4 of the Contract.

(v) Whereas, under the Concession Contracts (as defined below) there is not any restriction for the execution of this Contract, or for the enforcement of the guaranty provided therein.

(vi) Whereas, the parties have all the legal and corporate authorizations that are required to validly bound under this Contract and have sufficient resources to meet obligations arising therein.

(vii) Whereas the foregoing, the Parties enter into this Contract, which is governed by the following:

CLAUSES

CHAPTER II
INTERPRETATION AND DEFINITIONS

2.01. Interpretation: For purposes of this Contract, unless expressly provided otherwise, capitalized terms used herein shall have the meanings given to such terms in Section 0 below. Technical or scientific words that are not expressly defined in this Contract shall have the meanings as applicable according to the art or science respectively and the other words are construed in their natural and obvious sense, as the general use of the same. The headings of the clauses are included for reference and convenience but in no way limit, define, or describe the scope and intent of this Contract and are not considered part of it. The Annexes to this Contract form an integral part thereof.

2.02. Definitions: For purposes of this Agreement, the following definitions are established, which shall have the meanings set forth below, whether used in the singular or plural:

(i) "Secured Creditor": has the meaning set forth in the heading of this contract.

(ii) "Agreements": means the Royalty Purchase Agreement and the Royalty Agreement together.

(iii) "Mining Authority": means the National Mining Agency or any other entity of the national, regional or decentralized level, which has delegated any functions and powers as mining authority.

(iv) "Mining Code": means Law 685 of 2001 and others that change, subrogate, substitute or repeal it.

(v) "Contract": has the meaning set forth in the heading hereof.

(vi) "Concession Contracts": means the concession contracts and other agreements entered into between the Pledgor and Colombian regulatory authorities or granted to the Pledgor by such authorities, under which the Pledgor is entitled to explore and exploit the areas and Minerals, as more particularly described in Annex 4 to this Agreement, and all future concession agreements, licenses or permits and other agreements arising from the concession contracts and mining applications listed in Annex 4, entered into with the applicable Colombian regulatory authorities which grant to the Pledgor or any of the Pledgor Affiliates', successors' or assigns', rights to explore and exploit the Minerals;

(vii) "Affiliates" has the meaning set out in the Royalty Purchase Agreement;

(viii) "Minerals" has the meaning set out in the Royalty Purchase Agreement;

(ix) "Royalty Purchase Agreement": Means the contract entered into and executed between the Secured Creditor and the Red Eagle Mining Corporation on

October 22 of 2012.

(x) "Royalty Agreement": Means the contract entered into and executed between the Secured Creditor and the Red Eagle Mining Corporation on October 22 of 2012.

(xi) "Pledgor": has the meaning set forth in the heading of the Contract

(xii) "Event of Default": shall have the meaning given to this term in section Oof this Contract.

(xiii) "Mine" or "Mines": means the Mineral deposit or deposits granted by the concession contracts or any other contract as provided in Section 0

(xiv) "Secured Obligation": means the obligation of the Pledgor to the Secured Creditor to pay the Royalty from the Agreements, on the terms and conditions set forth therein.

(xv) "Pledge": shall have the meaning provided in Section 0of the Contract.

(xvi) "Future Productions": means two percent (2%) of all minerals extracted by the Pledgor under the Concession Contracts in accordance with the provisions of the PTO.

(xvii) "PTO": It means the Works Plan or Works and Investment Plan approved by the Mining Authority for each of the Concession Agreements.

(xviii) "Royalty": means the obligation of Pledgor set forth in Section 2.1.2 of the Royalty Purchase Agreement and in Section 2.1(a) of the Royalty Agreement.

(xix) "National Mining Registry": Is the means of authenticity and publicity of the acts and contract with State, which have the main purpose the constitution, conservation, exercise and assessment of the rights to explore and exploit minerals, from titles granted by the State or of subsoil private property titles under the terms and conditions of Chapter XXIX of the Mining Code.

(xx) "Branch": has the meaning set forth in the heading of this Contract.

CHAPTER III **OBJECT**

3.01. Object: Under this Contract, and in accordance with the provisions of Articles 1207 and following of the Commercial Code and Article 239 and following, when applicable of the Mining Code, the Pledgor grants in favor of Secured Creditor a first degree closed mining pledge, except for the provision of the paragraph provided hereunder, over the Future Productions due to the Pledgor under the Concession Contracts and any other contract under Section 0(the "Pledge") to comply with the Section [2.1.2] of the Royalty Purchase Agreement.

The Pledgor will (i) maintain the property, rights and physical possession of Concession Contracts and the property, material possession and rights of Future Productions and, (ii) agrees not to dispose of them differently to ordinary course of business or in any way that may entail detriment to the Pledge. In the event that the Pledgor decides to dispose at any title to the Concession Contracts in accordance with the terms and conditions provided in the Agreements, the Pledgor must ensure that the new titleholder is going to execute the Pledge under the same terms and conditions included herein.

Paragraph. If the Pledgor wishes to grant a pledge to any lenders as security for the payment or performance of any project financing to further develop, construct, operate or expand a mine on all or part of the property comprising the Concession Contracts, then the Secured Creditor agrees to enter into an inter-creditor agreement with such lenders, pursuant to which agreement the Secured Creditor will subordinate and postpone this Pledge to the pledge in favour of such lenders.

3.02. Pledge Specifications: For purposes of Article 1209 of the Commercial Code:

- (i) The Pledge is closed and is issued only to ensure the Secured Obligation.
- (ii) The name and address of Secured Creditor and Pledgor respectively, are the ones that are specified in the header of this Contract and Section 0 of this Contract.
- (iii) Identification of Future Productions on which this Pledge falls will be such as indicated in the PTO approved by the Mining Authority for the Concession Contracts.
- (iv) The Concession Contracts were signed by the Pledgor and shall be held by the Pledgor who owns the rights contained therein, including the right to the Future Productions and who will retain the ownership and exploitation of the Concession Contracts rights and obligations contained in charge thereof, and therefore of the Future Productions, except for the provision established in Section 3.01.
- (v) subject to the Agreements, the Future Productions may be sold in the ordinary course of business of the Pledgor.

3.03. Pledge Registry. In accordance with Article 1210 of the Commercial Code, the Pledgor shall at its own risk, assuming all expenses incurred, register this Contract and all amendments and updates before the commercial register of the Chamber of Commerce of Medellín where the Mine and/or Mines are registered, formed on the basis of Concession Contracts granted by the Mining Authority, from which the Future Productions will be extracted, as well as before the Chamber of Commerce of Medellín, where the Branch is registered. Also, in accordance with Articles 244 and 332 provision e) of the Mining Code, the Pledgor shall register this Agreement and all amendments and updates before the National Mining Registry corresponding to the Concession Contracts or any other new contract executed in the future as set out in Section 0

These obligations must be delivered within 15 business days of the signing of this Contract. After making the registration, the Pledgor shall file within fifteen ((15) business days following the registration, the certificate issued by the Chamber of Commerce stating the corresponding entry to the Secured Creditor, in the case of registration with the Chamber of Commerce of Medellín, and copy of the filing

submitted to the Mining Authority for subsequent registration in the National Mining Registry, in the case of registration before the National Mining Registry.

In any case, the Secured Creditor reserves the right to register the Pledge on its own, but charging the registry costs to the Pledgor, to the extent that the latter does not make the appropriate register within the period stated above, in accordance with this Section.

3.04. Secured Obligations. The Pledge will fully guarantee the payment and performance of the Secured Obligation including all its extensions, modifications and interests, until they have been fully and dully paid. As a result of the foregoing, the Pledgor acknowledges and agrees that the Pledge ensures any and all amounts due to the Secured Creditor by Pledgor under the Secured Obligation.

3.05. Concession Contracts. Future Productions under the Pledge include all those Future Productions produced under Concession Contracts that are listed in Annex 4 of the Contract, and all future concession agreements, licenses or permits and other agreements entered into by the Pledgor with the applicable Colombian regulatory authorities arising from the concession contracts and mining applications listed in Annex 4, which grant to the Pledgor or any of the Pledgor Affiliates', successors' or assigns', rights to explore and exploit the Minerals.

At the time the Pledgor holds any concession agreement on the terms of the preceding paragraph it shall comply as specified in Clause 0above, in respect with such concession contract, without prejudice that the Secured Creditor exercises the option to forward such records, as provided in paragraph of Section 0

CHAPTER IV **INDIVISIBILITY OF PLEDGE**

This Pledge is indivisible, which is why the Concession Contracts, will be affected by this Pledge as defined in Article 2430 of the Civil Code and therefore the Future Productions on which rests the Pledge, are subject to the compliance of all of the Secured Obligation. Consequently, if the Secured Creditor enforces payment of the Secured Obligation, the property and assets subject to this Pledge will be used exclusively and privileged to pay all claims of Secured Creditor.

CHAPTER V **TERM**

The Pledge will remain valid during the term of the Agreements, as provided in Clause 2.6 of the Royalty Agreement.

CHAPTER VI **OBLIGATIONS**

6.01 Pledgor's obligations. Notwithstanding the obligations under the law, and of any other obligation under this Contract, the Pledgor undertakes to:

(i) Register the Contract and all amendments under the terms and conditions set forth in Clause 0of this Contract;

(ii) Deliver to Secured Creditor the certificates and evidence referred to in Clause 0of this Contract, in which it is evidenced that the Pledge over Future Productions has been indeed registered in the Chamber of Commerce and the National Mining Register, or filed for registration, within the time limit provided herein;

(iii) Keep in force all records, authorizations, permits or licenses required for the operation or related to the Concession Agreements and any other agreement to be signed in the future by the Pledgor as provided in Section 0;

(iv) Develop and carry out all activities or acts necessary to perfect, maintainthe priority and keep alive the Pledge in favor of Secured Creditor;

CHAPTER VII **INSPECTION**

The Pledgor will allow the Secured Creditor or the person designated for this purpose, exercise the powers of inspection to which it is entitled under the provisions of Article 1217 of the Commercial Code and in the Agreements as provided therein.

CHAPTER VIII **REPRESENTATION AND WARRANTIES**

The Pledgor expressly represents and warrants that:

(i) The Future Productions will be found throughout the term of the Pledge unencumbered other than the present, pending litigation, conditions subsequent, embargoes, limitations and domain dismemberments, and that it does not exist and will not exist on the Future Production, any existing lien or its possession shall be under any other condition or domain limitation.

(ii) The right of ownership over the Future Productions and assets, will be healthy and whole and will not, for the duration of the Pledge, be affected by injunctive relief and, in general, shall be free from any situation of fact or law that could materially impair legal or property, enjoyment and possession.

(iii) The Pledgor warrants that has complied and will comply with any legal requirement, or as required by their incorporation documents, for the execution of each and every one of the Concession Contracts.

CHAPTER IX **EVENTS OF DEFAULT**

9.01. Events of Default. The following shall be grounds for the Secured Creditor to demand payment of the Secured Obligation and exercise the rights under this Pledge (each, an "Event of Default"):

(a) The incompliance in the payment of the Secured Obligation, as

set out in the Agreements;

- (b) Any transfer of Concession Contracts ignoring the terms and conditions set forth in the second paragraph of Section 3.01.;
- (c) Any breach of the obligations of Pledgor under this Contract or the Agreements, including, without limitation, those set out in Section 6.05 of this Contract;

9.02. Secured Creditor Actions. The occurrence of an Event of Default shall entitle the Secured Creditor to:

- (a) File before the competent authority, legal proceedings to claim the performance of this Contract either through an executive process or other relevant legal proceeding;
- (b) Take all necessary measures to ensure the full compliance of the obligation secured under the Agreements and applicable laws; y
- (c) To exercise any other right conferred by this Agreement or by applicable law.

CHAPTER X EXECUTIVE PROCESS.

Any and all rights, powers, authority and resources specifically granted to Secured Creditor by this Contract shall be cumulative, and used without prejudice to the rights, powers and authority that the Secured Creditor is given under the Agreements, any other contract or law.

CHAPTER XI TERMINATION

This Contract and all obligations of Pledgor hereunder (excluding the obligations and responsibilities that remain after the termination date of this Contract) shall be terminated on the date of termination of the Agreements. The Secured Creditor shall cooperate in full with the Pledgor and shall deliver and sign such documents as required to register the cancellation of this Pledge at the Chambers of Commerce and/or at the Mining Registry, as the case may be. On the date of termination of this Contract: (i) the Parties shall perform actions to achieve the release of this Pledge, (ii) each Party shall transmit to the other party and to the appropriate authorities their statements in this regard; and (iii) the Pledgor shall perform the procedures and formalities necessary for the termination of this Contract to be enforceable against third parties. The former includes the duty to request the Pledgor, on their own, the registration of the termination of this Contract before the appropriate Chambers of Commerce and the National Mining Register.

CHAPTER XII
INDEMNITY

Each Party agrees to indemnify, reimburse and hold harmless the other Party and their respective successors, assigns, employees, affiliates, subsidiaries and agents from and against all liabilities, obligations, damages, penalties, fines, claims, demands, actions, suits or judgments arising from acts or omissions attributable to the indemnifying Party or its delegates including any costs, expenses or disbursements (which also include attorneys' fees and costs) of any kind or nature, provided mediated when no intentional fault attributable to the party claiming compensation.

Each Party agrees to assume full responsibility and immediately the defense case in the event that it receives a written notice from the other Party of the existence of any event referred to in the preceding paragraph. Also the non responsible party agrees, in turn, to do all that is reasonably available to promptly notify the other Party of any such claim and / or events of which it is aware, and to take mitigation measures that are within reach.

Without limitation by applying the above, each Party undertakes, furthermore, to indemnify, reimburse and hold harmless the other party and their respective successors, assigns, employees, affiliates, subsidiaries and agents for any loss, cost, damage, harm or outlay that may suffer or incur as a result of a false or misleading statement made by the party who is claiming compensation and that relates to this Contract or any other document associated with this Contract.

CHAPTER XIII
MISCELLANEOUS

13.01. Severability: The Parties agree that the illegality, invalidity, ineffectiveness or any similar legal sanction affecting the validity or enforceability of any of the provisions of this Contract shall not affect the validity or enforceability of any other provisions. In any case, in the event either legal penalties to which reference has been made occur, the Parties undertake in good faith to find mechanisms to the extent possible and in accordance with applicable rules, comply initially with the purposes sought in Chapter or provision that would have been affected in their validity or application.

13.02. Waiver: Except as this Contract otherwise expressly provides, the Parties agree that the failure to exercise or delay in exercising any right, power or privilege of a Party shall not be construed as a waiver or as a waiver or consent to the amendment of the terms of this Contract. Likewise, Parties state that partial or delayed compliance with any obligation, not in any way cure the breach.

13.03. Cooperation between the Parties: In order to fully comply with the objectives pursued under this Contract, each Party undertakes to use its best efforts to, if required, provide, make and send any information or document required by the other Party or meet any requirement that the other party does, as long as this is necessary or reasonable, not inconsistent with the provisions of the Contract and does not involve the assumption of obligations other than new or stipulated therein.

13.04. Notices: Unless otherwise agreed in this Contract, any notice or communication required or permitted under this Contract must be in writing, delivered personally or by mail, fax or email to the following addresses:

For the Pledgor:

Attention: Ian Slater
Address: 920-1030 West Georgia Street, Vancouver, British Columbia,
V6E 2Y3
Tel: (604) 638-2546
Fax:
e-mail: slater@redeaglemining.com

For the Branch:

Attention: Rafael Silva
Address: Calle 7 Sur No. 42 – 70 Oficina 1503 Edificio Forum, Medellín -
Antioquia
Tel: (57 4) 403-1300
Fax:
e-mail: silva@redeaglemining.com

For the Secured Creditor:

Attention:
Address:
Tel:
Fax:
e-mail:

Communications shall be deemed received: (i) the date of acknowledgment of receipt, if delivery is made personally, (ii) the third business day following its submission by mail, if the referral is made by certified mail with return or similar receipt, and (iii) the next business day if made by fax or email, as long as it was obtained in the machine that sends an acknowledgment of receipt or evidence satisfactory means exist to show that the message has been received.

13.05. Entire Agreement and prevalence: This Contract and the documents attached and agreements which form an integral part hereof and contain all the stipulations between the Parties on the subject matter hereof, and supersedes all prior agreements on the same subject. In case of any discrepancy between this Contract and the Agreements, this Contract and its annexes shall prevail.

13.06. Modifications: All changes, additions, and clarifications to be made to this Contract shall be valid only when recorded in writing and duly signed by the legal representatives of the Parties.

13.07. Assignment: Neither Party may assign this Contract and/or the rights and/or obligations included therein, in whole or in part without prior written consent of the other Party.

13.08. Joint Effort: This Contract is the result of a joint effort between the Parties. Therefore, the same should not be construed more harshly against one of them.

13.09. Language: In the event that this document is executed in English, the Parties agree that the Spanish version will prevail.

13.10. Domicile For all legal purposes the contractual address is set in the city of [Bogotá].

13.11. Applicable Law: This Contract shall be governed by Colombian law.

13.12. Expenses: The registration fee for this Pledge as well as any other expenses, tax and tax liability is generated by the recognition and development of the Pledge borne solely by the Pledgor.

This Agreement is signed simultaneously [3] copies, each constituting an original.

IN WITNESS WHEREOF, this Contract is held on the date and year above described

SECURED CREDITOR

By: (signed)
Name Christopher Dunn
Title Senior Vice President

PLEDGOR

By: (signed)
Name Ian Slater
Title CEO

BRANCH

By: (signed)
Name Rafael Gilva
Title Country Manager

**ANNEX 1. CERTIFICATE OF INCORPORATION AND CERTIFICATE OF
INCUMBENCY FROM THE SECURED PLEDGOR**

**ANNEX 2. CERTIFICATE OF INCORPORATION AND CERTIFICATE OF
INCUMBENCY FROM THE PLEDGOR'S BRANCH**

**ANNEX 3 – CERTIFICATE OF INCORPORATION AND CERTIFICATE
OF INCUMBENCY FROM THE PLEDGOR**

ANNEX 4. CONCESSION CONTRACTS

The Concession Contracts from which Future Production will be extracted under the Pledge are identified below without prejudice of any other contract as provided in Section 3.05.

LEGAL STATUS OF MINING TITLES					
MINING TITLES	EXECUTION DATE	REGISTRATION DATE	AREA Ha	CURRENT STATUS	TERMINATION DATE
5790	July 2, 2002	September 16, 2002	270.00	CONCESSION CONTRACT	2032
5791	December 17, 2002	October 7, 2003	219.97	CONCESSION CONTRACT	2033
7171	February 14, 2011	May 6, 2011	498.48	CONCESSION CONTRACT	2041
7560	December 9, 2009	September 30, 2010	499.70	CONCESSION CONTRACT	2040
LDM-08061	Application Date: April 10, 2010	N.A.	1,648.75	APPLICATION	N.A.
LKA-08004	Application Date: Nov. 10, 2010	N.A.	52.70	APPLICATION	N.A.
			3,189.60		

ANNEX 5. CONCESSION CONTRACTS MINING REGISTRY CERTIFICATE