

EMPLOYMENT AGREEMENT

THIS AGREEMENT made in duplicate as of the 1st day of January, 2006.

BETWEEN:

COPPER REEF MINES (1973) LIMITED, a company incorporated under the laws of the Province of Manitoba and having an office at Box 6, 6 Mitchell Road, Flin Flon, Manitoba R8A 1N1

(hereinafter called the "**Company**")

OF THE FIRST PART

AND:

ROBERT N. GRANGER, Q.C. residing at

1000 Closson Road,
Hillier Ontario, K0K 2J0

(hereinafter called the "**Executive**")

OF THE SECOND PART

WHEREAS:

- A. The Executive is a business executive with many years experience in the legal and mining areas;

AND WHEREAS:

- B. The Company wishes to employ the Executive for the purpose of securing the hereinafter described Services and the Executive has the necessary skills and background to provide the Services.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements hereinafter contained 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 by each party hereto), the parties hereto covenant and agree as follows:

I. Definitions

- 1.1 Unless the context requires otherwise, the following terms shall have the meanings set out below when used in this Agreement:
- (a) "Confidential Information" means trade secrets and other information relating to the business of the Company not generally known to the public, that is owned by the Company, or by any company affiliated, associated or related to the Company, or by any of its suppliers, customers or other business partners. Confidential Information includes, without limitation, all corporate developments, source code, and related documentation, financial information, legal, corporate, marketing, product, research, technical, manufacturing, personnel, customer and supplier information and any other information, in whatever form or media, specifically identified as confidential by the Company, or the

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nature of which is such that it would generally be considered confidential in the industry in which the Company operates, or which the Company is obligated to treat as confidential or proprietary.

(b) "Control person means"

(i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or

(ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

2. **Contract of Employment**

2.1 The Company hereby agrees to employ the Executive to fulfil the responsibilities and provide the services specified in Schedule "A" hereto (the "Services") and the Executive hereby accepts such employment and agrees to fulfil such responsibilities and the Services in accordance with the provisions of this Agreement.

3. **Term and Termination**

3.1 Subject to the provisions hereof the term of this Agreement shall be twenty-four (24) months commencing January 1, 2006 and ending on December 31, 2007 (the "Initial Term") at which later date it is agreed that, unless terminated in accordance with the provisions of this Agreement, it will be automatically renewed on the same terms and conditions for a further term of twelve (12) months unless either party has advised the other party in writing at least ninety (90) days prior to the expiry date that this Agreement is not to be renewed.

3.2 The Company, upon giving notice to the Executive, may terminate this Agreement immediately upon the occurrence of any of the following events:

- (a) the Executive committing any deeds or acts required of him hereunder in a fraudulent or negligent manner in his provision of the Services;
- (b) becomes bankrupt, is charged and subsequently convicted of an indictable criminal offence or is the subject of a cease trade order of a securities regulatory authority (other than a Temporary Order); or
- (c) the breach or default of any material term of this Agreement by the Executive or the failure of the Executive to meet in all material respects annual performance objectives established by the Board of Directors in consultation with the Executive and communicated in writing to the Executive, if such breach, default or failure has not been remedied to the satisfaction of the Company within 30 days after written notice of the breach or default has been delivered by the Company to the Executive, as the case may be; or

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- (d) fails to provide the Services upon the terms and conditions of this Agreement or otherwise breaches any term of this Agreement.
- 3.3 The Executive may terminate his obligations under this Agreement only as follows:
- (a) upon the breach or default of any material term of this Agreement by the Company if such breach or default has not been remedied to the satisfaction of the Executive, within thirty (30) days after written notice of the breach or default has been delivered by the Executive to the Company; or
 - (b) at any time within six (6) months following the date on which there is a Change of Control.
- 3.4 For the purposes of section 3.3, a "change of control" (a "**Change of Control**") shall be deemed to have occurred when:
- (a) a person becomes a "control person" (as that term is defined in section 1.1(b) above) of the Company; or
 - (b) a majority of the directors elected at any annual or special general meeting of the shareholders of the Company are not individuals nominated by the Company's then-incumbent board of directors; or
 - (c) any person or group of persons acquires the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of the Company through
 - (i) the legal or beneficial ownership of voting securities;
 - (ii) the right to appoint managers, directors or corporate management;
 - (iii) contract; operating agreement; voting trust; or
 - (iv) otherwise.
- 3.5 In the event of the termination of the Executive's employment under this Agreement by the Company or the Executive pursuant to sections 3.2 or 3.3 herein as applicable, the Company shall pay to the Executive an amount equal to twenty-four (24) times the Salary set out in section 8.1 (the "**Termination Payment**"). The Termination Payment is to be paid to the Executive within a period of ninety (90) days from the date of termination. Furthermore, any stock options issued by the Company to the Executive which, immediately prior to the termination of the Executive's employment have not vested in the Executive, will immediately vest in the Executive on the date of termination.
4. **Character and Extent of Services to be Provided**
- 4.1 The Executive covenants and agrees to provide the Services in a diligent, careful, skillful and efficient manner in keeping with the commercial standards of the mining industry.
- 4.2 The Executive shall serve the Company hereunder in a non-exclusive manner and shall be free, provided in doing so he shall not fail to provide the services hereunder, to be employed on non-exclusive basis by other persons, entities and/or corporations provided he shall always insure in so doing that he is not in a position of conflict.

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5. Source Deductions

- 5.1 The Company shall be free to, and shall make any source deductions from the Executive's Salary in respect of income tax, and all other required remittances and deductions, and to remit same as and when required as it shall from time to time determine to be required.

6. Reporting

- 6.1 The Executive shall report to the Chief Executive Officer and to the board of directors of the Company.

7. Commitment to Company

- 7.1 The Executive shall only be required to expend that portion of his time to the provisions of his Services hereunder as he may, from time to time, in conjunction with the Chief Executive Officer determine to be needed.

8. Compensation and Expenses

- 8.1 The Company shall pay the Executive a salary of Five Thousand Dollars (\$5,000) per month (the "Salary") for his Services. The Salary shall be payable to the Executive according to the Company's regular schedule, but not less frequently than monthly.
- 8.2 The Company shall grant to the Executive 500,000 incentive stock options (the "Options") coincident with the execution of this Agreement. Each Option is exercisable by the Executive into a common share of the Company (the "Option Shares") at a price of \$0.20 per Option Share. The Options shall have a term of 5 years (the "Expiration Date") and, subject to exercise or the Expiration Date, the Options may not be cancelled for any reason whatsoever by anyone other than the Executive.
- 8.3 The Company shall reimburse the Executive on a monthly basis for all reasonable travel, entertainment and other expenses incurred or paid by the Executive in connection with, or related to, the performance of his duties, responsibilities or services under this Agreement, upon presentation by the Executive of documentation, expense statements, vouchers and/or such other supporting information as the Company may request.
- 8.4 In addition to the his Salary, the Executive may, in the absolute discretion of the Company, receive from the Company a bonus payment, as determined from time to time by the board of directors, for the Services provided pursuant to this Agreement. In particular, he will be given special consideration if the outcome of the Arbitration referred to in paragraph 2 of Schedule "A" favours the Company or if it is settled on terms the Company finds deserving of special consideration.
- 8.5 In the event that the Company is unable to pay the Executive's salary as it becomes due hereunder and notwithstanding that failure, the Executive is willing to provide his Services, he shall be entitled to elect to defer payment of any kind for a period of one (1) year since his salary first went unpaid and then receive payment in an amount equal to one hundred and fifty per cent (150%) of the wages then due. The Executive shall be entitled to exercise his stock options using such unpaid wages grossed up to one hundred and fifty per cent (150%) if applicable, to pay for the same.

9. Stock Options

- 9.1 Subject to the approval of the board of directors of the Company, it is intended that the Executive be granted incentive stock options in accordance with the Company's stock option plan. The granting of the options and the amount and exercise price shall be in the discretion of the Board

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of Directors of the Company but it is not the intention of the Company that the Executive shall be restricted to the initial stock options granted to him as referred to in section 8.2 above save during the first year of his employment hereunder.

10. Confidential Information

10.1 The Executive acknowledges that as President, the Company will disclose to him or allow him from time to time, access to Confidential Information. The Executive further acknowledges that this information is of significant value to the Company.

10.2 The Executive agrees that nothing in this Agreement, or otherwise, shall allow him to acquire any right, title or interest in or to the Confidential Information.

10.3 During the term of this Agreement and thereafter, the Executive shall maintain in strict confidence all Confidential Information disclosed to him, or to which he obtains access, as a result of this Agreement, or otherwise. The Executive shall take all necessary precautions against unauthorized disclosure of the Confidential Information during the term of this Agreement and thereafter. Without limitation, the Executive shall not, directly or indirectly, disclose, allow access to, transmit or transfer Confidential Information to a third party without the Company's consent, or use or reproduce such Confidential Information, in any manner, except as reasonably required to fulfil the purposes of this Agreement. The Executive shall ensure that every copy he makes of any Confidential Information is clearly marked, or otherwise identified, as confidential and proprietary to the Company, and is stored in a secure location while in the Executive's possession, control, charge or custody. Notwithstanding the foregoing provisions of this section 10.3., to the extent the Executive can establish he is required by law to disclose Confidential Information; he shall be permitted to do so, provided that notice of this requirement to disclose is first delivered to the Company, so that it may contest this potential disclosure.

10.4 The non-disclosure obligations under this Agreement shall not apply to Confidential Information which the Executive can establish:

- (a) is, or becomes, readily available to the public other than through a breach of this Agreement;
- (b) is disclosed lawfully and not in breach of any contractual or other legal obligation to him by a third party;
- (c) was disclosure compelled by judicial or administrative proceedings; or
- (d) was independently developed by the Executive without the use of the Confidential Information;

10.5 The Executive also agrees that the unauthorized disclosure of any Confidential Information during his tenure with the Company could constitute just cause for termination of his employment hereunder.

11. Provisions which Operate Following Termination

11.1 The provisions of section 10 shall continue in full force and effect for a period of two (2) years after termination of this Agreement.

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12. General

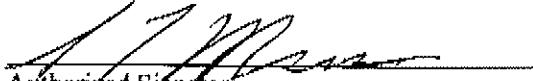
- 12.1 This Agreement and the obligations of the parties hereunder shall be binding upon the parties and their heirs, executors, successors and permitted assigns. No modification of this Agreement shall be valid unless made in writing and signed by the parties hereto. This Agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba. Notices under this Agreement must be sent by personal delivery, facsimile or registered mail to the appropriate party at the address stated on the first page of this Agreement or to a new address if the other party has been properly notified of the change. Such notice shall be deemed to be delivered, if by personal delivery, when delivered; if by facsimile, when the transmitting machine produces a report confirming a successful transmission; and if delivered by registered mail, on the third day following such mailing. If any covenant or provision herein is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity of any other covenant or provision hereof and the foregoing clauses are declared to be separate and distinct covenants. The parties shall deliver to each other further documentation and shall perform such further acts as and when the same may be required to carry out and give effect to the terms and intent of this Agreement. No waiver or consent by a party of or to any breach or default by any other party shall be effective unless evidenced in writing, executed and delivered by the party so waiving or consenting and no waiver or consent effectively given as aforesaid shall operate as a waiver of or consent to any further or other breach or default in relation to the same or any other provision of this Agreement.
- 12.2 The Executive acknowledges and consents to the collection, use and disclosure by the Company of any of the Executives' personal information (as that term is defined in the privacy legislation of the Province of Manitoba and of Canada, as applicable) to the securities regulatory authorities in Manitoba and in such other jurisdictions as may be necessary.
- 12.3 In the event that a court of competent jurisdiction deems any provision of this Agreement to be invalid or unenforceable due to law or public policy, the invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

13. Counterparts

- 13.1 This Agreement may be executed in counterparts and by facsimile each of which shall represent a signed original copy of this Agreement and all of which together shall constitute one and the same Agreement.

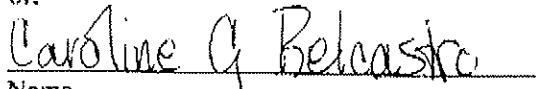
IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

THE CORPORATE SEAL OF
COPPER REEF MINES (1973) LIMITED
was hereunto affixed in the presence of:

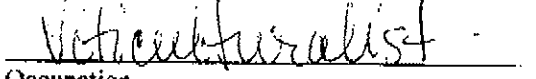

Authorized Signatory

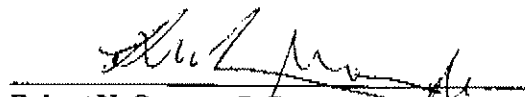
C/S

SIGNED, SEALED AND DELIVERED
by Robert N. Granger Q.C. in the presence
of:


Name


Address


Occupation


Robert N. Granger Q.C.

SCHEDULE "A"**DESCRIPTION OF CONSULTING SERVICES**

1. Fulfill the role of President of the Company with full responsibility for all of the duties of that position.
2. Have particular responsibility for stewarding the Company's current legal dispute with Foran Mining Corporation soon to be arbitrated between parties in Winnipeg, Manitoba.
3. Have primary responsibility for superintending the Company's legal affairs.
4. Share responsibility with the Company's Chairman for taking the Company public or merging it with another public company as contemplated in the Assignment Agreement between the Company and Foran
5. Initially while the Company remains private, assist in the creation of an Advisor Board of not less than five (5) to assist the Board of Directors in major matters and, if asked to do so, to serve on such Advisory Board. After the Company becomes a public company assist in the retention of its Board of Directors and, if requested to do so, to serve on the same.
6. Provide such other services as he may be requested to do by either the Board of Directors or the Chief Executive Officer of the Company.