

OPTION TO PURCHASE

TO: [PURCHASER]
(hereinafter the "Purchaser")

In consideration of TEN (\$10.00) DOLLARS and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, [VENDOR] (hereinafter the "Vendor") hereby grants to the Purchaser an irrevocable option to purchase (hereinafter the "Option") in respect of those lands set out and described in Schedule "A" hereto (hereinafter the "Lands"), or any portion thereof, at the price of [purchase price amount] (\$_____) DOLLARS (hereinafter the "Purchase Price"), on the terms set out below.

The Option is exercisable by notice in writing delivered or mailed postage prepaid, or telecopied, or by facsimile message, to the Vendor at the following address:

[VENDOR]
[address of vendor]
Fax: [fax number]

prior to [cut-off time] on the Exercise Date.

For the purposes hereof, "Exercise Date" shall mean [exercise date].

1. Notice

The Vendor undertakes to notify the Purchaser immediately upon the occurrence of any event or condition in any way affecting the Lands.

2. Expiry

The Option shall expire if not exercised on or before the Exercise Date.

3. Deposit

When exercising the Option, there shall be paid to the Vendor by certified cheque or bank draft at the address noted above a deposit in the sum of [deposit amount] (\$_____) DOLLARS (the "Deposit") which sum shall be held by the Vendor pending completion of the sale, or upon termination of the agreement (if any) arising from the exercise of the Option (the "Purchase Agreement") in accordance with the terms thereof. The deposit and any other consideration paid by the Purchaser to the Vendor shall in the event of completion, be credited to the account of the Purchaser and shall be refundable in full to the Purchaser in the event that the transaction contemplated by the Purchase Agreement fails to close for any reason whatsoever.

4. Representations and Warranties

The Purchase Agreement shall contain, *inter alia*, representations and warranties by the Vendor as the Purchaser may reasonably require to the effect that the Vendor is not aware of any contaminants, hazardous material, pollutant or dangerous waste on or under the Lands.

5. Purchaser's Conditions

- (a) The Purchaser has entered into this Agreement in reliance upon the conditions herein, all of which will constitute a condition precedent to the Purchasers' obligations to complete the transaction.
- (b) The Vendor has a good and marketable title to the Lands.

- (c) The Vendor is a resident of Canada for the purposes of Section 116 of the *Income Tax Act* (Canada).
- (d) The Purchase Price shall include all permanent fixtures presently located on the Property.
- (e) The Vendor undertakes to effect the transfer of land in registrable form upon the Purchaser instructing the Vendor to effect such registration.

THIS IS A 5-PAGE FORM.