



S-093892

NO.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

SANTA FE METALS CORPORATION

PLAINTIFFS

AND:

GLR RESOURCES INC. and LINEAR GOLD CORP.

DEFENDANTS

WRIT OF SUMMONS

(Name and address of each Plaintiff)

SANTA FE METALS CORPORATION
c/o Lawson Lundell LLP
1600-925 West Georgia Street
Vancouver, B.C.
V6C 3L2

(Name and address of each Defendant)

GLR RESOURCES INC.
c/o MacLeod Dixon LLP
100 Wellington Street West, Suite 500
Toronto, Ontario
M5K 1J1

LINEAR GOLD CORP.
1100-1959 Upper Water Street
Halifax, Nova Scotia
B3J 3E5

ELIZABETH THE SECOND, by the Grace of God, of the United Kingdom, Canada and Her other Realms and Territories, Queen, Head of the Commonwealth, Defender of the Faith.

To the Defendants: GLR RESOURCES INC. and LINEAR GOLD CORP.

TAKE NOTICE that this action has been commenced against you by the Plaintiffs for the claims set out in this Writ.

IF YOU INTEND TO DEFEND this action, or if you have a set off or counterclaim that you wish to have taken into account at the trial, YOU MUST

- (a) GIVE NOTICE of your intention by filing a form entitled "Appearance" in the above Registry of this Court, at the address shown below, within the Time for Appearance provided for below and YOU MUST ALSO DELIVER a copy of the Appearance to the Plaintiff's address for delivery, which is set out in this Writ, and
- (b) If a Statement of Claim is provided with this Writ of Summons or is later served on or delivered to you, FILE a Statement of Defence in the above Registry of this Court within the Time for Defence provided for below and DELIVER a copy of the Statement of Defence to the Plaintiff's address for delivery.

YOU OR YOUR SOLICITOR may file the Appearance and the Statement of Defence. You may obtain a form of Appearance at the Registry.

JUDGMENT MAY BE TAKEN AGAINST YOU IF

- (a) YOU FAIL to file the Appearance within the Time for Appearance provided for below, or
- (b) YOU FAIL to file the Statement of Defence within the Time for Defence provided for below.

TIME FOR APPEARANCE

If this Writ is served on a person in British Columbia, the time for appearance by that person is 7 days from the service (not including the day of service).

If this Writ is served on a person outside British Columbia, the time for appearance by that person after service, is 21 days in the case of a person residing anywhere within Canada, 28 days in the case of a person residing in the United States of America, and 42 days in the case of a person residing elsewhere.

TIME FOR DEFENCE

A Statement of Defence must be filed and delivered to the Plaintiff within 14 days after the later of

- (a) the time that the Statement of Claim is served on you (whether with this Writ of Summons or otherwise) or is delivered to you in accordance with the Rules of Court, and
- (b) the end of the Time for Appearance provided for above.

1.	The address of the registry is: 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1
2.	The Plaintiff's ADDRESS FOR DELIVERY is: c/o Lawson Lundell LLP Barristers and Solicitors 1600 - 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2 Attention: Peter J. Roberts Fax number for delivery is: (604) 669-1620
3.	The name and office address of the Plaintiff's Solicitor is: Lawson Lundell LLP Barristers and Solicitors 1600 - 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2 Attention: Peter J. Roberts

ENDORSEMENT

The Plaintiff Sante Fe Metals Corp. ("Sante Fe") claims against the Defendant GLR Resources Inc. ("GLR") for breach of contract and against the Defendant Linear Gold Corp. for the tort of inducing breach of contract or, in the alternative, unlawful interference with economic interests.

At all material times, GLR was the owner of a mining property called the Goldfields Property and related assets (collectively, the "Goldfield Property") located near Uranium City in Saskatchewan.

On April 29, 2009, Sante Fe submitted an offer (the "SFM Offer") to GLR to purchase the Goldfields Property. The terms of the SFM Offer included that:

- a) Sante Fe would be provided by GLR with five business days notice of any other offer received by GLR for the Goldfield Property and a right to match that offer to secure the Goldfield Property;

- b) GLR could only sell the Goldfield Property to a third party if the offer of that third party was unsolicited and superior to the SFM Offer; and
- c) Sante Fe was to be paid a break fee of \$500,000 by GLR in the event GLR accepted the SFM Offer and then did not sell the Goldfield Property to Sante Fe.

On or about May 8, 2009, GLR accepted the SFM Offer at which point it became a binding contract (the "SFM Agreement").

At some time presently unknown to Sante Fe but between May 8 and May 26, 2009, GLR purported to enter into a purchase and sale agreement for the sale of the Goldfield Property to Linear (the "Linear Agreement"). In breach of the SFM Agreement, GLR did not provide Sante Fe with any information regarding the Linear Agreement or a right to match the terms of the Linear Agreement. In any event, the terms of the SFM Agreement are superior to the terms of the Linear Agreement. As a consequence, of GLR's breach of the SFM Agreement, Sante Fe has and continues to suffer loss, damage and expense.

At all material times, Linear was aware of the existence of the SFM Offer and the SFM Agreement. By means presently unknown to Sante Fe, Linear caused GLR to breach the SFM Agreement and did so with the primary intention of interfering in that contractual relationship. In the alternative, Linear intended to cause injury to Sante Fe by unlawfully interfering with Sante Fe's economic interests by inducing GLR to breach the SFM Agreement. As a result of Linear's conduct, Sante Fe has and continues to suffer loss, damage and expense.

The Plaintiff Sante Fe Metals Corp. seeks against the Defendant GLR Resources Inc.:

- a) An order for specific performance of the SFM Agreement;
- b) An interlocutory and permanent injunction enjoining GLR from selling, encumbering or otherwise alienating the Goldfield Property other than in accordance with the SFM Agreement;
- c) In the alternative, damages for breach of the SFM Agreement;
- d) In the further alternative, judgment in the amount of the break fee; and
- e) Costs.

The Plaintiff Sante Fe Metals Corp. seeks against the Defendant Linear Gold Corp.:

- a) Damages for inducing the breach of the SFM Agreement;
- b) In the alternative, damages for the intentional interference with economic interests;

- c) A declaration that the Linear Agreement is void and of no force and effect; and
- d) Costs.

Dated: May 27th, 2009

Lawson Lundell LLP

Lawson Lundell LLP
Solicitors for the Plaintiff
Sante Fe Metals Corporation

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AND:

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DEFENDANTS

ENDORSED WRIT OF SUMMONS



Barristers and Solicitors
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Phone: (604) 685-3456
Attention: Peter J. Roberts

PJR/fli

Vancouver

09-Jun-09

REGISTRY

NO. S093892
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

SANTA FE METALS CORPORATION

PLAINTIFF

AND:

GLR RESOURCES INC. and LINEAR GOLD CORP.

DEFENDANTS

STATEMENT OF CLAIM

The Parties

1. The Plaintiff Santa Fe Metals Corporation ("**Santa Fe**") is a company duly incorporated under the laws of the Province of British Columbia with an address at 2810 – 610 Granville Street, Vancouver, British Columbia, V4C 3T3.
2. The Defendant GLR Resources Inc. ("**GLR**") is a company duly incorporated under the laws of Canada with a mailing address at 4 Al Wende Avenue, Kirkland Lake, Ontario, P2N 3J5. GLR is a public company.
3. The Defendant Linear Gold Corp. ("**Linear**") is a company duly incorporated pursuant to the laws of the Province of Nova Scotia and which, since May 13, 1996, has been extraprovincially registered in the Province of British Columbia with a current mailing and delivery address within British Columbia at Suite 2300 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

The Goldfield Property

4. Prior to May 8, 2009, GLR was the owner of a mining property called the Goldfields Project located near Uranium City in Northern Saskatchewan, which consists of two open-pit gold deposits: the Box and the Athona deposits. In or about March or early April 2009, GLR began to seek a purchaser for its interest in the Goldfields Project, including its related assets of certain material agreements, plant, equipment, information and data related to the development of the Goldfields Project (collectively, the "**Goldfields Property**").

The Linear Offer

5. On or about April 17, 2009, Linear made an offer to purchase the Goldfields Property from GLR (the "**First Linear Offer**").

6. The terms of the First Linear Offer included:

- (a) GLR would provide Linear with convertible debenture security for the advancement of funds entitling Linear to the issuance of shares in GLR; and
- (b) In the event GLR received a superior alternative offer for the Goldfields Property from a third party, Linear had the right to match that offer within five days of being advised in writing of GLR's receipt of such a superior alternative offer.

7. Acceptance of the First Linear Offer was, among other things, subject to approval of GLR's board of directors.

8. On or about April 16, 2009, the British Columbia and Ontario Securities Commissions issued a cease trade order against GLR. As a consequence, and in any event, at all material times thereafter the First Linear Offer was incapable of acceptance or completion according to its terms.

The SFM Offer

9. On April 29, 2009, Santa Fe made an offer to purchase the Goldfields Property from GLR (the "**SFM Offer**"). The SFM Offer was open for acceptance until 5:00 p.m. on May 8, 2009.
10. The terms of the SFM Offer included:
- (a) The purchase price was to be:
 - (i) A cash payment to GLR of US\$5,000,000;
 - (ii) reimbursement to GLR of deposits paid on the cost of certain equipment ordered by GLR from third parties; and
 - (iii) transfer to GLR of six million common shares in Santa Fe;
 - (b) GLR would provide Santa Fe with five business days notice of any other offer received by GLR for the Goldfields Property and a right to match that offer to secure the Goldfields Property;
 - (c) GLR could only sell the Goldfields Property to a third party if the offer of that third party was unsolicited and superior to the SFM Offer; and
 - (d) GLR would pay to Santa Fe a break fee of \$500,000 in the event GLR accepted the SFM Offer and then did not sell the Goldfield Property to Santa Fe.
11. Acceptance of the SFM Offer was subject to approval of GLR's board of directors.

12. On April 29, 2009, GLR notified Linear of the material terms of the SFM Offer and that the SFM Offer was a superior alternative offer to the First Linear Offer.

13. The ability of Linear to match the Santa Fe Offer pursuant to the terms of the Linear Offer expired on May 5, 2009, or in the alternative on May 6, 2009 or, in the further alternative on May 8, 2009.

14. On or about May 7, 2009, in response to the Santa Fe Offer, Linear made an alternative offer to GLR for the purchase of the Goldfields Property (the "**Second Linear Offer**"). The Second Linear Offers was, among other things, subject to approval of GLR's board of directors.

15. The SFM Offer was, in all material respects, a superior offer to the First Linear Offer and the Second Linear Offer.

The Santa Fe/GLR Agreement

16. On May 8, 2009, GLR's board of directors considered and declined to accept the First Linear Offer and the Second Linear Offer and, instead, resolved to accept the SFM Offer. As consequence, the SFM Offer became a binding and enforceable agreement between Santa Fe and GLR (the "**Santa Fe/GLR Agreement**").

17. On May 8, 2009, GLR advised Linear that it would not proceed with the First Linear Offer or the Second Linear Offer.

Claim Against GLR

18. Between May 11 and 26, 2009, by means presently unknown to Santa Fe and in breach of the Santa Fe/GLR Agreement, GLR purported to enter into an agreement with Linear for the sale of the Goldfields Property to Linear (the "**Linear Agreement**").

19. In particular, on and after May 8, 2009, GLR held the Goldfields Property in trust for Santa Fe pursuant to the Santa Fe/GLR Agreement and had no ability to sell the Goldfields Property to Linear. The purported sale of the Goldfields Property to Linear has and continues to cause Santa Fe loss, damage and expense.

20. In the alternative, the terms of the Linear Agreement were not superior to those of the SFM/GLR Agreement. As a consequence, GLR is contractually bound to sell the Goldfields Property to Santa Fe and its failure to do so is a breach of the Santa Fe/GLR Agreement.

21. In the further alternative and in breach of the Santa Fe/GLR Agreement, GLR did not provide Santa Fe with any notice of the Linear Agreement or the material terms of the Linear Agreement. As a consequence, GLR did not provide Santa Fe with any opportunity to match the terms of the Linear Agreement in accordance with the Santa Fe/GLR Agreement.

22. As a consequence of the breaches of the Santa Fe/GLR Agreement, by GLR, Santa Fe has and continues to suffer loss, damage and expense.

23. In the further alternative and in breach of the Santa Fe/GLR Agreement, in the event that the sale of the Goldfield Property to Linear is valid and enforceable, which is denied, then GLR has not paid to Santa Fe the break fee of \$500,000.

Claim Against Linear

24. At all material times after May 8, 2009, Linear was aware of the existence and material terms of the Santa Fe/GLR Agreement.

25. Further, by means presently unknown to Santa Fe, Linear induced the breach of or wrongfully interfered with the Santa Fe/GLR Agreement by entering into the Linear Agreement with GLR. In doing so, Linear acted with the primary intention of interfering with the Santa Fe/GLR Agreement.

26. In the alternative, by entering into the Linear Agreement, Linear unlawfully interfered, by means presently unknown to Santa Fe, with the economic interests of Santa Fe by inducing or causing GLR to breach the Santa Fe/GLR Agreement.

27. As a consequence of Linear's conduct as alleged, Santa Fe has and continues to suffer economic loss, damage and expense.

Wherefore the Plaintiff Santa Fe Metals Corporation claims against the Defendant GLR Resources Inc. as follows:

- (a) A declaration that GLR holds the Goldfield Property in trust for the benefit of Santa Fe;
- (b) An Order for specific performance of the Santa Fe/GLR Agreement;
- (c) An interlocutory and permanent injunction restraining GLR from proceeding with the Linear Agreement or otherwise encumbering, transferring or alienating the Goldfields Property except in accordance with the terms of the Santa Fe/GLR Agreement;
- (d) In the alternative, damages for breach of the Santa Fe/GLR Agreement;
- (e) In the further alternative, judgment in the amount of the \$500,000 break fee;
- (f) Costs;
- (g) Interest pursuant to the *Court Order Interest Act*; and
- (h) Such further and other relief as this Honourable Court may deem just.

The Plaintiff Santa Fe Metals Corporation claims against the Defendant Linear Gold Corp. as follows:

- (i) A declaration that any right Linear held to match the SFM Offer expired on or before May 8, 2009;
- (j) A declaration that the Linear Agreement is not valid and is of no force and effect;

- (k) A declaration that any interest Linear may have in the Goldfields Property is held in trust for the benefit of Santa Fe;
- (l) Damages;
- (m) Costs;
- (n) Interest pursuant to the *Court Order Interest Act*; and
- (o) Such further and other relief as this Honourable Court may deem just.

Place of trial: Vancouver

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of June, 2009.

Lawson Lundell LLP

Lawson Lundell LLP
Solicitors for the Plaintiff

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STATEMENT OF CLAIM



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