

Schedule A

Settlement Agreement

Michael Derek Townsend

Securities Act, RSBC 1996, c. 418

¶ 1 Michael Derek Townsend (Townsend) has settled the following issues with the Executive Director.

Agreed Statement of Facts

¶ 2 As the basis for the undertakings and orders referred to in this settlement, Townsend acknowledges the following facts as correct:

1. Townsend is a resident of Vancouver and is 39 years old.
2. Lateegra Gold Corp. (Lateegra) is a reporting issuer in British Columbia and its shares are listed for trading on the TSX Venture Exchange (TSX-V). Lateegra (formerly Consolidated Del Norte Ventures Inc.) started trading on the Vancouver Stock Exchange (VSE) in 1989.
3. Townsend has been the President and a Director of Lateegra since October 23, 2002. Townsend was the Chief Executive Officer of Lateegra from October 23, 2002 to October 10, 2006.
4. West Hawk Development Corp. (West Hawk) is a reporting issuer in British Columbia and its shares are listed for trading on the TSX-V. Shares of West Hawk (formerly Tessa Ventures Ltd.) started trading on the VSE in 1991.
5. Townsend became West Hawk's Secretary on April 7, 2006. Townsend was the Chairman of the Board of Directors of West Hawk from January 10, 2005 to November 1, 2006, and its President and Chief Executive Officer from January 2005 to March 2006.
6. Townsend was therefore an insider of each of Lateegra and West Hawk at the material times.
7. Townsend is the sole beneficial owner of Nottingham Management Ltd. (Nottingham), a private company incorporated in the Turks & Caicos (T & C) in February 2000.

8. In November 2004, Townsend opened a brokerage account in the name of Nottingham at a securities firm in the T & C (the Nottingham Account).
9. Townsend is the sole director, officer and beneficial owner of Spectre Investments Inc. (Spectre), a private company incorporated in British Columbia in July 2003. Spectre has a brokerage account in Canada (the Spectre Account).

Unreported Lateegra Transactions

10. From April 2005 to August 2006, Townsend made 29 market transactions in shares of Lateegra in the Nottingham Account. Townsend purchased 58,500 shares, and sold 560,000 shares, of Lateegra.
11. On April 21, 2005, Townsend acquired 500,000 shares of Lateegra at a deemed value of \$0.10 per share in a private transaction through the Nottingham Account.
12. On December 14, 2005, Lateegra announced a private placement distribution of 8,730,000 units. Each unit consisted of one common share priced at \$0.075 per share and one two-year warrant exercisable at \$0.10 per share (the Lateegra Private Placement).
13. Townsend purchased units in the Lateegra Private Placement as follows:
 - (a) 160,000 units through the Spectre Account, and
 - (b) 600,000 units through the Nottingham Account.

Unreported West Hawk Transactions

14. From January 2005 to August 2006, Townsend made 46 market transactions in shares of West Hawk in the Nottingham Account. Townsend purchased 228,000 shares, and sold 300,000 shares, of West Hawk.
15. On April 10, 2006, Townsend acquired 200,000 shares of West Hawk at \$0.10 per share in a private transaction through the Nottingham Account.

Bulk Filing

16. On August 30, 2006 Townsend bulk filed insider reports for his transactions in Lateegra and West Hawk through the Nottingham Account, and for his participation in the Lateegra Private Placement in the Spectre Account (collectively, the Transactions), after Staff of the British Columbia Securities Commission brought Townsend's failure to file to his attention.
17. The Transactions represent approximately 5.02% of the market trading volume of Lateegra, and 0.43% of the market trading for West Hawk, over the material times.

Misconduct

18. Townsend filed some insider reports for transactions in securities of Lateegra and West Hawk from 2005 to 2006. Townsend was therefore aware of his insider reporting obligations. By trading through the Nottingham Account and Spectre Account and not reporting the Transactions, Townsend breached the insider reporting provision of section 87 of the *Securities Act*, RSBC 1996, c.418 (the Act).

Public Interest

- ¶ 3 Townsend acted contrary to the public interest by engaging in the conduct set out above.

Undertakings

- ¶ 4 Townsend undertakes to pay to the Commission:

1. late filing fees of \$1,250 for his bulk filing of insider reports about the Transactions, and
2. the sum of \$40,000,

which sums are due and payable immediately without further demand.

Order

- ¶ 5 Townsend consents to an order by the Executive Director (the Order) that:
1. under section 161(1)(a) of the Act, Townsend comply with the Act, the Securities Rules, and any applicable regulations;
 2. under section 161(1)(b) of the Act, Townsend cease trading in and be prohibited from purchasing any securities for a period of one year from the date of the Order, except that Townsend may trade and purchase securities in one account in his name held with a single registered dealer to whom he has first provided a copy of the Order;
 3. under section 161(1)(d) of the Act, except for his position with Lateegra, Townsend resign any position he holds as a director or officer of any issuer and be prohibited from becoming or acting as a director or officer of, and from engaging in any investor relations activities for any issuer for the later of:
 - (a) one year from the date of the Order,
 - (b) the date Townsend successfully completes a course of study satisfactory to the Executive Director concerning the duties and responsibilities of directors and officers, and
 - (c) the date Townsend satisfies his undertakings to pay \$41,250 to the Commission.

Consent to Reciprocal Orders

- ¶ 6 Townsend consents to any securities regulator in Canada relying on the facts admitted in this settlement to make orders against him.

Waiver

¶ 7 Townsend waives any right he may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

¶ 8 May 17, 2007

¶ 9 “Michael Townsend”
Michael Derek Townsend

“Robert Cooper”)
Witness Signature)
Robert Cooper)
Barrister & Solicitor)
Witness Name (please print))
1300-777 Dunsmuir Street)
Vancouver, BC V7Y 1K2)
Address)
Lawyer)
Occupation)

¶ 10 May 29, 2007

¶ 11 “Brenda Leong”
Brenda M. Leong
Executive Director