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ASX ANNOUNCEMENT

6 December 2013

Mamba to merge with Canadian Champion Iron Mines

Mamba Minerals Ltd (ASX:MAB, "Mamba") is pleased to advise that it has entered into a definitive arrangement agreement ("Arrangement") to effect a merger of Mamba and Canadian iron ore developer Champion Iron Mines Ltd (TSX:CHM, "Champion"). Under the terms of the Arrangement, Champion shareholders will receive 11 Mamba shares for every 15 shares they hold.

The merger once completed will create a new iron ore company to be named "Champion Iron Limited" having a significant holding in one of the world's leading iron ore regions and a team of management and directors with a track record for attracting strategic investment into major resource projects. The merged company will remain listed on the Australian Securities Exchange ("ASX").

The experience of Mamba's board in the development and funding of large tonnage mining and infrastructure projects fits with the advancing stage of development of Champion's major asset, the Consolidated Fire Lake North Project ("Fire Lake"). Champion has 100% direct ownership of the highly prospective Fire Lake which completed a Prefeasibility Study ("PFS") in February 2013 for production of 9.3Mtpa, with a Net Present Value of C\$3.3b with operating costs of C\$44/t¹.

Mamba Chairman Michael O'Keeffe will transition to Executive Chairman of the merged company with an immediate term mandate to progress the development of Fire Lake. Thomas Larsen the current Chairman and CEO of Champion will become the CEO of Mamba.

The merged company will commence work immediately on upgrading the 2013 PFS to a bankable feasibility study ("BFS") which is expected to take 12 months to complete. To accelerate this initiative, Mamba will raise \$10m via a private placement to selected strategic and other investors effective at the completion of the merger. Funds raised will be used to assist the company to complete a BFS on the Fire Lake project (including additional infill drilling and working capital).

For existing commitments, Mamba has negotiated a two year extension to the Snelgrove Option agreement to September 2017 (conditional on completion of the Arrangement within 6 months), allowing it more flexibility on its development time table and the ability to focus on Fire Lake in the near term.

Mamba Chairman Michael O'Keeffe said: "The merger is an exciting prospect for shareholders of both companies. We believe there is significant potential to commence production at Champion's main project Fire Lake over the next few years. Under the new board and with the joint resources now available, Mamba is in an excellent position to deliver this".

"Significantly, the region is already developed to service major producers in terms of rail and port infrastructure. Fire Lake is adjacent to an ArcelorMittal operating mine producing around 1.6Mtpa and within 70km of 45Mtpa of production from IOC/RIO, Cliffs and ArcelorMittal. Strategically, Fire Lake location is well positioned for an emerging iron ore company," Mr O'Keeffe said.

¹ Including capital and interest repayments for rail



Highlights of the Merger

Following the completion of the merger, Mamba Minerals will provide shareholders with exposure to a well established and proven iron ore province, and an executive and board team with a track record for developing major mining projects.

Mr O’Keeffe said: “Through the merger, shareholders will gain increased exposure to a project that is better positioned to move to production. This will be achieved as a result of the combined resources of the merged company, and the synergies implied in the partnering of advanced, quality assets with a strengthened executive and board team”.

The merged company will be well positioned to be of strategic interest to a range of industry and end-user groups. Key points are:

- Expanded board with Michael O’Keeffe appointed as Executive Chairman and Thomas Larsen as CEO;
- Fire Lake Feb 2013 prefeasibility for 9.3Mtpa over 20 years (9.8Mtpa in years 1-5) with a NPV of C\$3.3b and operating costs of C\$44/t1;
- Fire Lake has a 464Mt Reserve resulting in the merged company’s EV/Reserve of \$0.18 per tonne being lower than all ASX iron ore developers and has access to available rail and port;
- Fire Lake has an Inferred Resource of 2.8 Billion tonnes plus 746 Million tonnes in the Measured and Indicated categories allowing for potential to grow production;
- Existing infrastructure capacity on open access rail and at the new multi user port reduces capex requirements and mitigates development risk while low cost hydro power (C\$0.045/kwh) reduces opex;
- Conventional hematite gravity spiral processing;
- 62%-66% Fe premium product with low levels of Alumina, Phosphorous and Sulphur;
- Merged company to be fully funded for completion of BFS; and
- A two year extension to the Snelgrove Option agreement to September 2017.

Cautionary Statement

The reserve and resource estimates in this report (insofar as they relate to Champion) utilise the CIM standards, reported as “National Instrument 43-101” and not the JORC code. They are therefore "foreign estimates" for the purpose of the ASX Listing Rules. A competent person has not done sufficient work to classify the foreign estimates as mineral resources or ore reserves in accordance with the JORC Code. It is therefore uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

No further field work is required for conversion of a NI 43-101 compliant resource or reserve to a JORC-compliant equivalent. However, the data and assumptions would need to be re-validated in accordance with JORC requirements before re-running the models. Given the extensive work required to underpin the NI 43-101 compliant estimates, no material differences in the estimates would be anticipated.

Please refer to the information provided at the end of this announcement (Appendix 1) in accordance with ASX Listing Rule 5.12.



Champion Iron Mines

Champion is a Canadian-based iron ore developer with properties located in Canada's main iron ore mining district, the Labrador Trough as is Mamba's Snelgrove Lake project.

Champion is one of the largest landholders of iron ore in the Labrador Trough, with holdings located southwest of Fermont, Quebec. The company's portfolio includes the Consolidated Fire Lake North ("Fire Lake"), Harvey-Tuttle, Moire Lake and O'Keefe-Purdy projects (for further details go to www.championironmines.com). Champion's main Fire Lake project is adjacent to one of ArcelorMittal's Fire Lake operating mine (1.6Mtpa) and within 70km of 45Mtpa of production from IOC/RIO, Cliffs and ArcelorMittal.

Champion's most advanced project is Fire Lake which contains a Canadian National Instrument (NI) 43-101 Inferred Resource of 2.8 Billion tonnes plus 746 Million tonnes in the Measured and Indicated categories that includes 464 Million tonnes of Reserve. The ore body is metallurgical course-grained hematite which beneficiates easily with an 83% recovery achieved in the PFS to produce a 66% Fe grade.

Fire Lake Project Prefeasibility Study Summary (Feb 2013)

Average annual Production	9.3 Mtpa
NPV @ 8%	C\$3.3b
IRR	31%
Payback	3.4 years
Product Fe%	66%
Assumes a price for benchmark 62% CFR China for years 1-5, 6-20	C\$115/t, C\$110/t
Operating cost including rail payments (FOB Sept Iles port)	C\$44/t ¹

*1 - Including capital and interest repayments for rail

Available Infrastructure

Canada is the world's 5th largest iron ore exporter with 45Mt produced in 2012. Quebec is regarded as an excellent region in which to undertake mining activities, ranking 11th of 152 countries and territories in the Fraser Institute's 2012 mining survey. With nearby railway, port and power infrastructure in situ the merged company will benefit from reduced capital costs, a shorter lead time to production and reduced development risks compared to other prospective iron ore developers. Significantly;

- There are a number of potential rail options for the Fire Lake project with capacity on the main open access rail;
- Construction of the 50Mtpa Pointe Noire terminal at Sept Iles Port is almost complete. The new berth is due for completion in March 2014 (currently on time and budget) with potential to increase to 100Mtpa+; and
- Quebec has large amounts of low cost (C\$0.045/kwh) hydro-electricity.

"Access to existing infrastructure is a major issue for junior mining companies, especially those involved in bulk commodities. The potential of materially reduced development risks will not only assist the board in developing future funding strategies, it will also increase the attraction of the company's projects to end users such as major steel groups requiring iron ore," Mr O'Keefe said.



Key Management

Mamba Chairman Michael O’Keeffe will transition to Executive Chairman of the merged company to help progress the development of the Fire Lake North Project. Thomas Larsen, the current Chairman and CEO of Champion, will become the CEO of the merged company.

Immediately following completion of the proposed merger, the merged company’s Board of Directors would comprise of eight directors, which will include five nominees from Champion and three nominees from Mamba. Mamba proposes that key Champion management wishing to continue with the merged company be offered on-going positions.

Michael O’Keeffe (proposed Executive Chairman)

- Mr. O’Keeffe is the Chairman of Mamba and has significant experience in growing mining resources companies
- Executive Chairman of Riversdale Mining Limited (“Riversdale”) from 2004 to 2011
 - Led the development of Riversdale from a junior with a market cap of A\$7 million until it was acquired by Rio Tinto for A\$4 billion
 - During his period at Riversdale, Mr. O’Keeffe raised approximately A\$780 million for Riversdale
- Managing Partner of Glencore Australia (Pty) Limited from 1995 to 2004
 - Responsible for Glencore’s Australian acquisitions, of which a large component was vended into Xstrata at the time of listing on the LSE
 - Increased Glencore’s market share in Australia and southeast Asia, growing the turnover from US\$100 million to US\$2.4 billion
- Held a series of senior operating positions at Mt Isa Mines from 1975 to 1994, rising to the Executive Management level in commercial activities

Thomas Larsen (proposed CEO and Director)

- Mr. Larsen was appointed President and CEO of Champion in 2006 and has considerable experience developing mining companies
 - Established Champion and led its development from a junior exploration company with a market cap of approximately C\$5 million to build one of the largest iron ore deposits in Canada’s Labrador Trough
 - Mr. Larsen has raised substantial financing for Champion to effectively fund its development activity
- Mr. Larsen has over 30 years of experience in the investment industry, specializing in corporate finance and management of junior mining companies, raising in excess of C\$150 million to date
- Prior to founding Champion, Mr. Larsen held senior executive positions at a number of junior resource companies, where he was also involved in corporate finance and management activities
- Mr. Larsen is a director of Bear Lake Gold Ltd. and Eloro Resources Ltd.



Richard (Dick) Melville Wright

Mr Wright is currently a Non-Executive Director of MAB. He is an engineer and has significant expertise in the development and delivery of multi-billion dollar resource projects. Many companies have achieved significant results under his stewardship. Some of those companies are:

- Hancock Prospecting Pty Ltd (2008-2011), Project Director for Roy Hill
- Dick undertook the prefeasibility and bankable feasibility studies for the commercialization of Roy Hill including rail and port. Roy Hill's \$10b development is intended to position Hancock as a major global iron ore player with a 55Mtpa mine, 344km railway and 2-berth export facility at Port Hedland. Together with Hancock's 70% ownership, Posco (15%), Marubeni Corporation (12.5%) and China Steel Corporation (2.5%) are the shareholders in Roy Hill through a Posco-Marubeni consortium for A\$3.2 billion and Posco-China Steel investment for A\$332 million.
- Decmil Group Ltd (2004-2008) (previously Paladio), Founding Executive Chairman and Managing Director
 - Decmil is an EPC specialist in mining services and in four years had growth from a market capitalisation of A\$6 million to A\$200 million (800% increase in share price)
- Adrail (2001-2004), Executive Chairman
 - Responsible for project delivery of the largest infrastructure project in Australia, the 1400km Darwin to Alice Springs railway. The project was budgeted on a fix-lump sum A\$1B and was delivered 5 months ahead of schedule and under budget.
- Fluor (Fortune 500) global EPCM (1990-1999), CEO of Fluor Daniel Pty Ltd (Australia)
 - Led and successfully managed development of 20 of Australia's largest projects with companies including BHP and Rio.

Niall F Lenahan

Mr Lenahan is the Director and Company Secretary of MAB. He has also served as a director and CFO in ASX listed and medium sized organisations involved in mineral resources, construction/engineering and shipping/transport industries in Australia and overseas. Companies Mr Lenahan has successfully served include:

- Riversdale Mining Limited (2006-2011), Finance Director, CFO & Company Secretary
 - Involved in the development of Riversdale Mining from a junior with a market capitalisation of A\$7 million until it was acquired by Rio Tinto for A\$4 billion.
- Kingsgate Consolidated Limited (2003-2005), CFO
 - Involved in various capital management, debt management and derivatives for this ASX200 and expanding precious metals company.
- RGC Ltd,/AurionGold Ltd/Goldfields Ltd (1992-2002), CFO & Company Secretary
 - Involved in the merger of Goldfields and Delta Gold in 2001 forming AurionGold and the takeover of AurionGold by Placer Dome in 2002.



Transaction Summary and Mechanics

Under the Arrangement, Mamba will acquire 100% of the outstanding common shares of Champion. Champion shareholders will receive 11 Mamba ordinary shares for every 15 Champion common shares they hold. The Arrangement will also provide for the issuance by Mamba of replacement stock options to holders of 8 million outstanding Champion options and 22 million outstanding Champion warrants on similar terms as adjusted by the Exchange Ratio.

Subject to requisite shareholder approvals, Mamba will convert the existing 32 million Mamba performance shares into ordinary shares at a rate of 1 for 10.

The Arrangement will be carried out by way of a statutory plan of arrangement pursuant to the Business Corporations Act (Ontario) and must be approved by the Ontario Superior Court of Justice (Commercial List) and the affirmative vote of Champion's shareholders and option holders at a special meeting to be called by the Company. At the special meeting, the Arrangement will require approval of (a) Champion shareholders holding at least 66 2/3% of the common shares, voting in person or by proxy; (b) Champion shareholders and option holders holding at least 66 2/3% of the common shares and options represented at the meeting, voting together in person or by proxy; and (c) a majority of the minority, in accordance with National Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

The directors and senior officers of Champion, holding in aggregate approximately 7.4% of the fully diluted shares of Champion, have entered into voting agreements with Mamba, pursuant to which they have agreed to vote their securities (including options) in favour of the Arrangement.

Mamba shareholder approval will also be required in respect of various aspects of the transaction, including the issuance of Mamba securities pursuant to the Arrangement and the 1 for 10 consolidation of Mamba's performance shares. Mamba directors holding 7.0% of the undiluted capital of Mamba have confirmed their intention to vote in favour of the necessary shareholder resolutions to support the Arrangement.

The Arrangement is expected to close in April 2014, shortly after receipt of all security holder and court approvals. Pursuant to the terms of the Arrangement, it is expected the shares of Champion will be de-listed from the TSX as at the closing of the Arrangement. As noted above, it is a condition of closing of the Arrangement that Mamba's shares be conditionally listed for trading on the TSX as of the effective date of the Arrangement.

Capital Investment Partners has been mandated by Mamba to raise \$10m via a private placement to selected strategic and other investors effective at the completion of the merger. Funds raised will assist the company to complete a BFS on the Fire Lake project including additional infill drilling and working capital.



Exclusivity and termination fee

Each of Champion and Mamba has agreed to non-solicitation provisions, which provide for a “fiduciary-out”, subject to a right to match, in the event either Champion or Mamba receives a superior proposal. In addition, in certain circumstances, a mutual termination fee of C\$1,000,000 may be payable by either Champion or Mamba, as applicable, pursuant to the terms of the Agreement. Broadly, the circumstances in which a termination fee will be payable are:

- **Changed board recommendation:** its board changes its recommendation to shareholders before its shareholders approve the transaction;
- **Superior Proposal:** it terminates the Arrangement Agreement because it enters into a "Superior Proposal" (which it may only do after giving the other party a matching right in accordance with the exclusivity provisions of the Arrangement Agreement);
- **Endorsement of third party proposal:** its board approves, recommends or otherwise endorses a third party "Acquisition Proposal" during the term of the Arrangement Agreement; or
- **Entry into third party proposal within 6 months after termination:** a third party "Acquisition Proposal" is publicly announced before its shareholder meeting is held and is entered into within 6 months after termination of the Arrangement Agreement.

The termination fee provisions are set out in full in Article 8 of the annexed Arrangement Agreement.

Conditions to the Arrangement

The Arrangement is subject to receipt of Canadian court and any necessary Canadian or Australian regulatory or exchange approvals. The Arrangement is not subject to due diligence. The key conditions of the transaction are:

- **Champion shareholder approval:** The Arrangement is approved by the requisite majorities of Champion shareholders.
- **Mamba shareholder approval:** All necessary approvals in connection with the transaction are obtained from Mamba's shareholders.
- **Mamba capital raising:** Mamba receives irrevocable subscriptions (which may be conditional on the Arrangement becoming effective) in respect of at least A\$10 million at a price of at least A\$0.50 per share.
- **No materially adverse effect on Champion:** from 6 December 2013, no event, change, effect or development occurs that individually or in the aggregate has a materially adverse effect on Champion.
- **TSX Listing:** Mamba obtains conditional listing approval from the TSX.

A complete list of conditions to the transaction is set out in Schedules C, D and E of the annexed Arrangement Agreement.

Mamba shareholders are advised to read the materials relating to the proposed Arrangement that will be announced on the ASX, including Mamba's notice of extraordinary meeting that will be sent to shareholders in due course.



Pro forma capital structure of the merged company

	Mamba current capital structure A\$	Champion current capital structure C\$	Merged Company Pro-forma capital structure A\$
Share price ^{*1}	\$0.52	\$0.21	\$0.50 ^{*2}
Ordinary shares	70,550,086	137,395,609	189,673,596 ^{*3*4*5}
Placement shares			20,000,000
Options/Warrants	20,800,000	30,070,000 ^{*6}	33,024,667
Performance shares ^{*3}	32,000,000		
Fully diluted	123,350,086	169,065,609	242,698,263
Undiluted Market Capitalisation	\$36,721,320	\$29,265,265	\$104,836,798 ^{*7}
Cash ^{*8*9}	\$3,347,000	\$11,700,000	\$24,360,925 ^{*10}
Enterprise Value	\$33,374,320	\$17,565,265	\$80,475,873 ^{*7}

*1 – Based on the 20 day volume weighted average price ("VWAP") for the period ending December 5, 2013

*2 – The intended capital raising price of A\$0.50 per share has been used to calculate the pro-forma position of the merged company for illustrative purposes only. There is no guarantee that this price will be achieved. Mamba makes no representation about the future market capitalisation or enterprise value of the merged company

*3 – Includes one for ten conversion of performance shares into ordinary shares

*4– 4,020,000 new Mamba shares will be issued to Champion consultants in lieu of change of control payments

*5– Assumes the exercise of the 15,000,000 warrants held by Baotou

*6– Assumes the planned issue of 1,600,000 new options and the cancellation of 200,000 current options

*7– This figure is provided for illustrative purposes only and is based on the intended placement price of \$0.50 per share. There is no guarantee that this price will be achieved. Mamba makes no representation about the future market capitalisation or enterprise value of the merged company

*8– As at September 30 2013

*9– Exchange rate is assumed at CAD:AUD of 1.04

*10 – Pro-forma position includes proposed Mamba \$10m capital raising, the exercise of the Baotou warrants and all costs of the transaction

**Advisors and Counsel**

Mamba's financial advisor is Capital Investment Partners and its legal advisors are Stikeman Elliott LLP in Canada and Ashurst Australia in Australia.

Champion's financial advisor is Ocean Equities Limited and its legal advisor is Norton Rose Fulbright Canada LLP in Canada and Australia. Canaccord Genuity Corp. is acting as independent financial advisor to the independent special committee of Champion.

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Appendix 1 - Reporting of Foreign Estimates

The following information is provided in accordance with ASX Listing Rules 5.12.1 to 5.12.8.

All information in this announcement concerning Champion's exploration targets, exploration results, mineral resources, ore reserves or production targets ("foreign estimates") have been sourced from the following reports prepared for Champion in accordance with Canadian National Instrument 43-101 ("NI 43-101").

Date	Report
25 Feb 2013	Fire Lake North 43-101 Technical Report
7 Sep 2012	Oil Can 43-101 Resource Report
7 Sep 2012	Harvey-Tuttle 43-101 Resource Report
7 Sep 2012	Moire Lake 43-101 Resource Report

These are the most recent studies undertaken by Champion.

The foreign estimates have been classified under NI 43-101. Both NI 43-101 and JORC 2012 are rigorous codes that deliver robust resource and reserve estimates, the main difference between the two is that NI 43-101 requires more technical disclosure to the market. NI 43-101-compliant estimates are "qualifying foreign estimates" for the purposes of the ASX Listing Rules. No material differences in the estimates would be anticipated as between NI 43-101 and JORC compliance.

The foreign estimates would be material to the company if the transaction proceeds, as the tenements to which they relate are intended to be the major focus of the merged company.

A summary of the work programs underlying the foreign estimates is set out below.

Exploration and Drilling

The Vermont project area has been the subject of regional mineral exploration assessment by numerous mineral exploration and mining companies from the middle of the last century to the present day.

In 2008, a 3855 line-km airborne magnetic and electromagnetic (VLF-EM) geophysical survey was performed over all properties held by Champion in the FIOD area. Following this reconnaissance program, 31 new claims (16.28 km²) were added to Fire Lake North and the property was merged with the former Don Lake Property.

The 2009 exploration program was designed as a 4000 m drilling program to delineate the Fire Lake North (including Don Lake area) and Bellechasse iron formations and to quantify a near-surface mineral resource estimate.

The 2010 winter drill campaign at Fire Lake North was focused on the East Pit and West Pit areas. A total of 4130 m were drilled in 24 holes at a drill hole spacing of 400 m from late February to early April 2010.

Champion carried out a diamond drilling program at the Don Lake, East Pit, and West Pit areas of Fire Lake North from September 2010 to August 2011. Sixteen new holes were drilled at the Don Lake area for a total of 4805 m, 29 holes at the East Pit area for a total of 10 642 m, and 31 new holes for a total of 9448 m at the West Pit area. The total number of metres drilled in late 2010 and 2011 was 26 221 m in 84 holes.

Feasibility Definition Drilling commenced at Fire Lake North in mid-November 2011 and Champion completed Phase I in June 2012. Drilling was focused within the proposed West area designed pit limits and the East area



starter pit, as outlined by the November 2011 PEA. More than 22 000 m of definition drilling was completed in both the East and West pit areas, with over 17 000 m of this being carried out in the West pit area.

Champion carried out a trenching program at Fire Lake North between July 31st and September 20th, 2012. A total of 29 trenches were completed and sampled, over a total strike length of 2.5 km.

Mineral Processing and Metallurgical Test work

During the Preliminary Feasibility Study, a metallurgical test program was undertaken in order to evaluate ore treatment parameters and provide data for flow sheet development and preliminary equipment sizing. Test work was performed on material from the West Pit and East Pit zones; material from the Don Lake zone was not used.

The test work included:

Ore grindability assessment;

Pilot Plant trials;

Metallurgical performance and liberation size analysis by Heavy Liquids Separation;

Settling and filtration tests;

Environmental characterization.

The pilot plant consisted of a conventional arrangement of the AG mill, followed by three (3) stages of spirals. The final production run achieved 83.2% iron recovery, with a 65.9% FeT concentrate grade. Heavy Liquids Separation (HLS) was used to determine liberation size and metallurgical performance.

Mineral Reserves

The milling cut-off grade (COG) used for this Study to classify material as Mineral Resource or waste is 15% FeT. This COG is in line with similar iron ore projects in the region and their historical data.

Mining Methods

Mining operations are based on a 24-hour per day, seven (7) days per week and 360 days per year production schedule. The life of mine (LOM) is approximately 20 years and is based on the plant production capacity of 23 Mtpa for the West Pit, and 24.8 Mtpa for the East Pit.

Market Studies and Contracts

Considering that commercial production for the Fire Lake North Project is scheduled to begin in 2016, BBA arrived at a medium-term (first five (5) years) and long-term (beyond five (5) years) price of \$115/t and \$110/t respectively, based on the Platts Index benchmark of 62% Fe iron ore concentrate landed at the port in China.

No further field work is required for conversion of a NI 43-101-compliant resource or reserve to a JORC-compliant equivalent. However, the data and assumptions would need to be re-validated in accordance with JORC requirements before re-running the models. Given the extensive work required to underpin the NI 43-101-compliant estimates, no material differences in the estimates would be anticipated.

Competent Person's statement in relation to ASX Listing Rules 5.12.2 to 5.12.7

A competent person has not done sufficient work to classify the foreign estimates as mineral resources or ore reserves in accordance with the JORC Code and it is therefore uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

However, Mr Barry Knight has confirmed that the information above that has been provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the various material mining projects of Champion as certified by the NI 43-101 reports. Mr Knight is an employee of Mamba Minerals and a Member of the Australian Institute of Mining and Metallurgy. Mr Knight has consented to Mamba including this statement.

Private & Confidential

December 5, 2013

MAMBA MINERALS LIMITED
and
CHAMPION IRON MINES LIMITED

ARRANGEMENT AGREEMENT

 **NORTON ROSE FULBRIGHT**

Contents

Section	Page
ARTICLE 1 THE TRANSACTION AND ITS ANNOUNCEMENT	1
1.1 Process Regarding Target.....	1
1.2 Target Circular.....	2
1.3 Process Regarding Acquireco.....	3
1.4 Acquireco Circular.....	3
1.5 Voting Agreements.....	4
1.6 Waiver Target Shareholder Rights Plan.....	4
1.7 Public Announcements.....	4
ARTICLE 2 CONDITIONS TO THE ARRANGEMENT	4
2.1 Mutual Conditions.....	4
2.2 Conditions in Favour of Target.....	4
2.3 Conditions in Favour of Acquireco.....	5
2.4 Satisfaction, Waiver and Release of Conditions.....	5
2.5 Use of reasonable endeavours.....	5
ARTICLE 3 REPRESENTATIONS AND WARRANTIES	5
3.1 Representations and Warranties of Target.....	5
3.2 Representations and Warranties of Acquireco.....	5
3.3 Survival of Representations, Warranties and Covenants.....	5
ARTICLE 4 IMPLEMENTATION	5
4.1 General.....	5
4.2 Target Options and Target Warrants.....	7
4.3 Pre-Acquisition Reorganization.....	7
4.4 Defence of Proceedings.....	8
4.5 Securities Law Compliance, Regulatory Approvals and Related Covenants.....	8
4.6 Registrar and Transfer Agent.....	9
4.7 Access to Information; Confidentiality.....	9
4.8 Duty to Inform.....	10
4.9 Board Recommendation.....	10
4.10 Withholding Rights.....	10
4.11 U.S. Securities Law Matters.....	10
4.12 Acquireco Board and Management.....	11
4.13 Concurrent Financing.....	11
ARTICLE 5 CONDUCT OF BUSINESS	11
5.1 Conduct of Business by Target.....	11
5.2 Conduct of Business by Acquireco.....	14
ARTICLE 6 NON-SOLICITATION	17
6.1 Non-Solicitation; Adverse Acts.....	17
6.2 Notification of Acquisition Proposal.....	18
6.3 Access to Information.....	18
6.4 Permitted Actions.....	18
6.5 Implementation of Superior Proposal.....	19
6.6 Response to Superior Proposal.....	20
6.7 General.....	21
ARTICLE 7 TERMINATION AND AMENDMENT OF AGREEMENT	21
7.1 Termination.....	21
7.2 Amendment.....	23
7.3 Approval of Amendments.....	24

Contents

Section	Page
ARTICLE 8 TERMINATION PAYMENTS	24
8.1 Payment to Acquireco	24
8.2 Payment to Target	24
8.3 Damages.....	25
ARTICLE 9 ACQUIRECO COVENANTS	25
9.1 Indemnities.....	25
9.2 Directors and Officers Insurance and Other Indemnification Matters.....	26
9.3 Employment Agreements	26
9.4 Third Party Beneficiaries.....	26
9.5 Guarantee.....	26
9.6 Election Not To Be a Public Corporation or a Reporting Issuer.....	27
ARTICLE 10 PUBLIC DISCLOSURE	27
10.1 General.....	27
10.2 Corporate Names.....	27
ARTICLE 11 GENERAL	27
11.1 Definitions.....	27
11.2 Assignment.....	27
11.3 Binding Effect.....	27
11.4 Representatives.....	28
11.5 Responsibility for Expenses.....	28
11.6 Time.....	28
11.7 Notices.....	28
11.8 Governing Law.....	29
11.9 Injunctive Relief.....	29
11.10 Currency.....	30
11.11 Knowledge.....	30
11.12 Entire Agreement.....	30
11.13 Further Assurances.....	31
11.14 Waivers and Modifications.....	31
11.15 Privacy Issues.....	31
11.16 Liability.....	33
11.17 Schedules.....	33
11.18 Counterparts.....	33
11.19 Date For Any Action.....	33
11.20 Interpretation.....	33
11.21 Severability.....	33
SCHEDULE A DEFINITIONS	A-1
SCHEDULE B PLAN OF ARRANGEMENT, INCLUDING PROVISIONS ATTACHING TO THE EXCHANGEABLE SHARES	B-1
SCHEDULE C MUTUAL CONDITIONS	C-1
SCHEDULE D CONDITIONS IN FAVOUR OF TARGET	D-1
SCHEDULE E CONDITIONS IN FAVOUR OF ACQUIRECO AND CANCO	E-1
SCHEDULE F REPRESENTATIONS AND WARRANTIES OF TARGET	F-1
SCHEDULE G REPRESENTATIONS AND WARRANTIES OF ACQUIRECO AND CANCO.....	G-1
SCHEDULE H SUPPORT AGREEMENT.....	H-1
SCHEDULE I VOTING AND EXCHANGE TRUST AGREEMENT.....	I-1

THIS ARRANGEMENT AGREEMENT is dated this 5th day of December, 2013 and made between:

- (1) **CHAMPION IRON MINES LIMITED**, a corporation incorporated under the laws of Ontario, (“Target”); and
- (2) **MAMBA MINERALS LIMITED**, a corporation incorporated under the laws of Australia, (“Acquireco”).

RECITALS:

- (A) The authorized capital of Target consists of an unlimited number of common shares, of which 137,395,609 Target Shares were issued and outstanding as of the date of this Agreement, as fully paid and non-assessable.
- (B) Acquireco intends to incorporate Canco and proposes to acquire, together with Canco, all of the Target Shares pursuant to the Arrangement as provided for in this Agreement for the consideration contemplated herein.
- (C) Certain Acquireco Shareholders have expressed an intention to vote the Acquireco Shares held by them in favour of the Transactions.
- (D) Certain Target Shareholders have agreed to vote their securities of Target in favour of the Transactions, subject to the terms of the Target Voting Support Agreements.
- (E) The board of directors of Target, after receiving the Fairness Opinion and legal advice and after considering other factors, has unanimously determined that it is in the best interests of Target to enter into this Agreement, to support and implement the Transactions and for the board of directors of Target to recommend that Target Shareholders vote in favour of the Arrangement.

NOW THEREFORE in consideration of the mutual covenants set out in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Target and Acquireco agree that:

**ARTICLE 1
THE TRANSACTION AND ITS ANNOUNCEMENT**

1.1 Process Regarding Target.

Subject to the terms and conditions of this Agreement:

- (a) subject to compliance by Acquireco with its agreements and covenants in Section 1.2, as soon as practicable after the execution of this Agreement, and in any event before February 28, 2014, Target shall, in a manner acceptable to Acquireco, acting reasonably, apply to the Court pursuant to Section 182 of the Act for the Interim Order;
- (b) provided the Interim Order has been obtained, Target shall, in a manner acceptable to Acquireco, acting reasonably, and subject to Acquireco’s agreements and covenants in Section 1.2, hold the Target Special Meeting as soon as reasonably practicable after the Interim Order has been obtained, and in any event before April 15, 2014, and, in connection with the Target Special Meeting, ensure that the Target Circular contains all information necessary to permit Target Securityholders to make an informed judgment about the Arrangement;
- (c) Target Securityholder Approval shall be the required level of approval for the Arrangement;

- (d) after having called the Target Special Meeting, Target shall not, without the prior consent of Acquireco, such consent not to be unreasonably withheld, delayed or conditioned, adjourn, postpone or cancel the Target Special Meeting, except as may be required by Law or the rules of the TSX or except as otherwise permitted in this Agreement;
- (e) Target shall, subject to the prior review and written approval of Acquireco, acting reasonably, and subject to Acquireco's agreements and covenants in Section 1.2, prepare, file and distribute the Target Circular and such other documents (including documents required by the TSX and the Securities Commissions or applicable Law) as may be necessary or desirable to permit Target Securityholders to vote on the Arrangement;
- (f) provided the Arrangement is approved at the Target Special Meeting as set out in the Interim Order and applicable Law, as soon as reasonably practicable thereafter at a time determined with Acquireco, acting reasonably, Target shall forthwith, in a manner acceptable to Acquireco, acting reasonably, take the necessary steps to submit the Arrangement to the Court and apply for the Final Order in such manner as the Court may direct;
- (g) provided the Final Order is obtained and the conditions set out in Article 2 have been satisfied or waived, Target shall send to the Director, for endorsement and filing by the Director, articles of arrangement and such other documents as may be required under the OBCA to give effect to the Arrangement; and
- (h) provided the Final Order is obtained and the conditions set out in Article 2 have been satisfied or waived, the Support Agreement and the Voting and Exchange Trust Agreement shall be executed.

1.2 Target Circular.

Target shall prepare the Target Circular (including supplements or amendments thereto) and cause the Target Circular (including supplements or amendments thereto) to be distributed in accordance with applicable Law. In preparing the Target Circular, Target shall provide Acquireco with a reasonable opportunity to review and comment on the Target Circular and, other than with respect to the Acquireco Information for which Acquireco shall be solely responsible, Target shall consider all such comments, provided that whether or not any comments are accepted or appropriate shall be determined by the board of directors of Target in their discretion. In a timely and expeditious manner so as to permit Target to comply with its obligations in Section 1.1(a) and Section 1.1(b), Acquireco shall as promptly as reasonably possible furnish to Target all Acquireco Information. Each of Target and Acquireco shall:

- (a) ensure that all information provided by it or on its behalf that is contained in the Target Circular does not contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in the Target Circular that is necessary to make any statement that it contains not misleading in light of the circumstances in which it is made; and
- (b) promptly notify the other if, at any time before the Effective Time, it becomes aware that the Target Circular, any document delivered to the Court in connection with the application for the Interim Order or Final Order or delivered to Target Securityholders in connection with the Target Special Meeting or any other document contemplated by Section 1.1 contains a misrepresentation or an untrue statement of material fact, omits to state a material fact required to be stated in those documents that is necessary to make any statement it contains not misleading in light of the circumstances in which such statement is made or that otherwise requires an amendment or a supplement to those documents.

All Acquireco Information shall comply in all material respects with all applicable Laws and shall contain full, true and plain disclosure of all material facts relating to the securities of Acquireco and Canco to be issued in connection with this Agreement, including under the Plan of Arrangement. Acquireco shall indemnify and hold harmless Target and each of the Indemnified Persons to the extent that the Acquireco Information contains or is alleged to contain any misrepresentation (as defined under applicable securities Laws) and/or does not contain full, true and plain disclosure of all material facts relating to the securities of Acquireco or Canco to be issued in connection with this Agreement, including under the Plan of Arrangement.

1.3 Process Regarding Acquireco.

Subject to the terms and conditions of this Agreement:

- (a) as soon as practicable after the execution of this Agreement, and in any event before December 15, 2013, Acquireco shall incorporate Canco as a direct wholly owned subsidiary under the laws of the Province of Ontario;
- (b) prior to the Effective Time, Acquireco shall enter into a call rights agreement with Canco which agreement shall describe and provide the details and terms required in connection with the transfer of Exchangeable Shares to Acquireco or an Acquireco Affiliate, if applicable, and the issuance of Acquireco Shares to the holders of Exchangeable Shares in consideration thereof, upon the exercise of the Liquidation Call Right, Redemption Call Right, Change of Law Call Right or Retraction Call Right, as applicable;
- (c) (i) no later than five (5) business days prior to the Effective Date, Acquireco shall provide Target with a reasonable opportunity to review and comment on the subscription agreements to be used in connection with the Concurrent Financing (and reasonable consideration shall be given to any comments made by Target and Target's counsel) prior to circulation to investors, and (ii) no later than two (2) business days prior to the Effective Date, Acquireco shall deliver executed irrevocable subscription agreements to Target and Target's counsel from subscribers acceptable to Target and Acquireco, each acting reasonably, as well as evidence that subscription funds in an aggregate of a minimum of A\$10 million have been deposited into trust in connection with the Concurrent Financing;
- (d) Acquireco shall take all action necessary in accordance with all applicable Laws to duly call, give notice of, convene and hold the Acquireco Special Meeting as promptly as practicable, and in any event not later than February 28, 2014;
- (e) Acquireco shall solicit proxies of Acquireco Shareholders in favour of the Transactions;
- (f) after having called the Acquireco Special Meeting, Acquireco shall not, without the prior consent of Target, adjourn, postpone or cancel the Acquireco Special Meeting, except as may be required by Law or the rules of the ASX or except as otherwise permitted in this Agreement; and
- (g) Acquireco shall, subject to prior review and written approval of Target prepare, file and distribute its notice of meeting and proxy circular and such other documents (including documents required by the ASX or applicable Laws) as may be necessary or desirable to permit Acquireco Shareholders to vote on the Transactions.

1.4 Acquireco Circular.

Acquireco shall prepare a notice of meeting and proxy circular, or such other equivalent documents required by applicable Laws and the rules of the ASX, (including supplements or

amendments thereto) (the “**Acquireco Circular**”) and cause the Acquireco Circular to be distributed in accordance with applicable Law. Acquireco shall provide Target with a reasonable opportunity to review and comment on the Acquireco Circular. Acquireco shall consider all comments, provided that whether or not such comments are accepted or appropriate shall be determined by the board of directors of Acquireco in their discretion, acting reasonably. Target shall provide to Acquireco for inclusion in the Acquireco Circular, all information, if any, concerning Target that is required to be included in the Acquireco Circular under applicable Law, and such information shall not contain a misrepresentation and shall not be misleading or deceptive, including by omission. Target shall indemnify and hold Acquireco and each of its directors harmless to the extent that such information contains or is alleged to contain any misrepresentation (as defined under applicable securities Laws).

1.5 Voting Agreements.

Target shall, concurrent with the execution and delivery to Acquireco of this Agreement, deliver to Acquireco duly executed Target Voting Support Agreements, in a form acceptable to Acquireco, acting reasonably, from each of the directors and officers of Target (the “**Target Supporting Shareholders**”). Acquireco shall, concurrent with the execution and delivery to Target of this Agreement, deliver to Target duly executed Acquireco Voting Support Agreements, in a form acceptable to Target, acting reasonably, from each of the directors and officers of Acquireco (“**Acquireco Supporting Shareholders**”).

1.6 Waiver Target Shareholder Rights Plan.

Target has taken and shall continue to take all actions necessary to render the rights issued pursuant to the Target Shareholder Rights Plan inapplicable to the Transactions and this Agreement.

1.7 Public Announcements.

Immediately after the execution of this Agreement, the Principal Parties shall mutually agree and issue a joint public announcement, announcing the entering into of this Agreement and the Transactions in a form reasonably acceptable to both Principal Parties.

ARTICLE 2 CONDITIONS TO THE ARRANGEMENT

2.1 Mutual Conditions.

The respective obligations of the parties to complete the Arrangement shall be subject to the fulfilment, or the waiver by each of them, on or before the Outside Date, of the conditions set forth in Schedule C, each of which may be waived, in whole or in part, by mutual consent of the parties. For greater certainty, the conditions set forth in Schedule C are inserted for the benefit of each of the parties to this Agreement and may only be waived, in whole or in part, by mutual consent of Target and Acquireco.

2.2 Conditions in Favour of Target.

The obligations of Target to complete the Arrangement shall be subject to the fulfilment, or the waiver by Target, on or before the Outside Date, of the conditions set forth in Schedule D, each of which is for the exclusive benefit of Target and may be waived by Target alone, at any time, in whole or in part, in its sole discretion.

2.3 Conditions in Favour of Acquireco.

The obligations of Acquireco to complete the Arrangement shall be subject to the fulfilment, or the waiver by Acquireco, on or before the Outside Date, of the conditions set out in Schedule E, each of which is for the exclusive benefit of Acquireco and may be waived by Acquireco alone, at any time, in whole or in part, in its sole discretion.

2.4 Satisfaction, Waiver and Release of Conditions.

Upon the issuance of a certificate of arrangement in respect of the Arrangement by the Director in accordance with the Final Order and the OBCA, the conditions provided for in this Article 2 shall be deemed conclusively to have been satisfied, fulfilled, waived or released.

2.5 Use of reasonable endeavours.

Each party shall use its reasonable endeavours to satisfy, assist the other to satisfy, or procure satisfaction of (as applicable) each condition set forth in Schedule C, on or before the Outside Date. Each party shall promptly notify the other party when learning that any such condition is satisfied or that it cannot be satisfied. Each party shall promptly keep the other party reasonably informed of any developments relevant to the satisfaction, waiver or otherwise of any such condition.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Target.

Target represents and warrants to Acquireco as to those matters set forth in Schedule F (and acknowledges that Acquireco is relying on such representations and warranties in entering into this Agreement and completing the Transactions).

3.2 Representations and Warranties of Acquireco.

Acquireco represents and warrants to Target as to those matters set forth in Schedule G (and acknowledges that Target is relying on such representations and warranties in entering into this Agreement and completing the Transactions).

3.3 Survival of Representations, Warranties and Covenants.

The representations, warranties and covenants of Target and Acquireco contained in this Agreement or in any instrument delivered pursuant to this Agreement shall merge upon, and shall not survive, the Effective Date; provided that this Section 3.3 shall not limit any covenant or agreement of the parties, which by its terms contemplates performance after the Effective Time.

ARTICLE 4 IMPLEMENTATION

4.1 General.

The Transactions are intended, subject to the terms and conditions hereof and thereof, to result in, among other things, Acquireco directly and indirectly acquiring all Target Shares outstanding immediately prior to the Effective Time as provided below and, as set out in greater detail in the Plan of Arrangement, each issued and outstanding Target Share held by a Target Shareholder (other than Target Shares held by Acquireco or Dissenting Shareholders) shall be exchanged with Acquireco or Canco, as applicable, for Acquireco Share Consideration or Exchangeable

Share Consideration, respectively, in accordance with the election or deemed election of such Target Shareholder pursuant to Section 2.3 of the Plan of Arrangement.

Subject to the provisions of the Plan of Arrangement, Acquireco shall procure Canco's execution of joint elections under subsection 85(1) or 85(2) of the ITA or any equivalent provincial legislation with Target Shareholders who are Eligible Holders (as defined in the Plan of Arrangement) and who are entitled to receive Exchangeable Shares under the Arrangement, subject to and in accordance with the Plan of Arrangement.

Each of Target and Acquireco shall (and shall cause its Subsidiaries to) use all commercially reasonable efforts to satisfy each of the conditions precedent to be satisfied by it, as soon as practical and in any event before the Outside Date, and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable to permit the completion of the Transactions in accordance with the Arrangement, this Agreement, the agreements that it contemplates and applicable Law, and to cooperate with each other in connection therewith (provided, however, that, with respect to Canadian provincial or territorial qualifications, neither Acquireco nor Canco shall be required to register or qualify as a foreign corporation or to take any action that would subject it to service of process in any jurisdiction where it is not now so subject, except as to matters and transactions arising solely from the issuance of the Exchangeable Shares and the Acquireco Shares), including using all commercially reasonable efforts to:

- (a) provide notice to, and obtain all waivers, consents, permits, licenses, authorizations, orders, approvals and releases necessary or desirable to complete the Transactions from, Agencies and other persons, including parties to agreements, understandings or other documents to which each of Target and Acquireco (and its respective Subsidiaries) is a party or by which it or its properties are bound or affected (including loan agreements, shareholder agreements, leases, pledges, guarantees and security), the failure of which to provide or obtain would prevent the completion of the Arrangement or which, individually or in the aggregate, would reasonably be expected to be Materially Adverse to either Target or Acquireco and their respective Subsidiaries, in each case taken as a whole;
- (b) obtain the Interim Order and the Target Securityholder Approval at the Target Special Meeting at the earliest practicable date, as specified in the Interim Order and the Final Order. Target shall provide legal counsel to Acquireco with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Interim Order and Final Order, and shall give reasonable consideration to all such comments. Target shall also provide legal counsel to Acquireco on a timely basis with copies of any notice of appearance and evidence served on Target or its legal counsel in respect of the application for the Final Order or any appeal therefrom;
- (c) obtain the Acquireco Shareholder Approval at the Acquireco Special Meeting at the earliest practicable date;
- (d) effect or cause to be effected all registrations and filings and submissions of information necessary or desirable to complete the Transactions or requested of it by Agencies, the failure of which to obtain would reasonably be expected to prevent the completion of the Transactions or would reasonably be expected to be Materially Adverse to either Target or Acquireco and their respective Subsidiaries, in each case taken as a whole; and
- (e) keep the other reasonably informed as to the status of the proceedings related to obtaining the Regulatory Approvals, including providing the other with copies of all related applications and notifications.

4.2 Target Options and Target Warrants.

- (a) Subject to receipt of all appropriate regulatory approvals, all Target Options issued and outstanding on the Effective Date shall be exchanged for Acquireco Option Consideration in accordance with the terms and conditions of the Plan of Arrangement. For greater certainty, all Target Options will expire and terminate on the Effective Date.
- (b) All Target Warrants issued and outstanding on the Effective Date shall remain in effect, provided that, upon exercise of the Target Warrants following the Effective Date, holders of the Target Warrants shall receive, under the adjustment provisions of the Target Warrants, Acquireco Shares.

4.3 Pre-Acquisition Reorganization.

Target shall use its commercially reasonable efforts to effect such reorganization of its business, operations, and assets or such other transactions as Acquireco may reasonably request in writing (each, a “**Pre-Acquisition Reorganization**”) prior to the Effective Time, and the Plan of Arrangement, if required, shall be modified accordingly; provided, however, that Target need not effect a Pre-Acquisition Reorganization which in the opinion of Target: (i) would require Target to obtain the prior approval of the shareholders of Target in respect of such Pre-Acquisition Reorganization other than at the Target Special Meeting; (ii) is prejudicial to Target or Target Securityholders or inconsistent with the provisions of this Agreement (iii) affects or modifies in any respect the obligations of either Acquireco or Canco under this Agreement (iv) is not reasonably capable of being consummated following the date of the Final Order and prior to the Effective Time or (v) would impede or delay the consummation of the Arrangement. Acquireco shall provide written notice to Target of any proposed Pre-Acquisition Reorganization at least 10 business days prior to the Effective Date provided that the Pre-Acquisition Reorganization shall in no event be effective prior to the granting of the Final Order. The parties will use their commercially reasonable efforts to structure the Pre-Acquisition Reorganization in such a manner that it is made effective immediately prior to the Effective Time. In addition:

- (a) Acquireco shall bear all costs of the Pre-Acquisition Reorganization, including any liability for Taxes of Target that may arise as a result of such Pre-Acquisition Reorganization. If the Arrangement is not completed, Acquireco will forthwith reimburse Target for all reasonable fees and expenses (including any professional fees and expenses) incurred by Target in considering and effecting any Pre-Acquisition Reorganization and shall indemnify Target for any costs, taxes, loss of opportunity or otherwise of Target in reversing or unwinding any Pre-Acquisition Reorganization that was effected prior to the termination of this Agreement in accordance with its terms;
- (b) Acquireco shall indemnify and save harmless Target and its officers, directors, employees, agents, advisors and representatives from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards, judgments and penalties suffered or incurred by any of them in connection with or as a result of any Pre-Acquisition Reorganization or as a result of the reversal (where such reversal is determined by Target to be necessary, acting reasonably) of all or any of the Pre-Acquisition Reorganization steps in the event the Arrangement does not proceed (including actual out-of-pocket costs and expenses for filing fees and external counsel);
- (c) unless the parties otherwise agree, any Pre-Acquisition Reorganization to be effected shall not become effective unless Acquireco shall have confirmed in writing the satisfaction or waiver of all conditions in its favour in Sections 2.1 and 2.3 and shall have confirmed in writing that it is prepared to promptly without condition (except for the Pre-Acquisition Reorganization) proceed to effect the Arrangement;

- (d) any Pre-Acquisition Reorganization shall not require Target to contravene any applicable Laws, its organizational documents or any Contract;
- (e) Target shall not be obligated to take any action that has a material likelihood of resulting in any adverse Tax, economic or other consequences to Target or any securityholder of Target; and
- (f) such cooperation does not require the directors, officers or employees of Target to take any action in any capacity other than as a director, officer or employee of Target, as applicable.

Acquireco acknowledges and agrees that the planning for and implementation of any Pre-Acquisition Reorganization requested by Acquireco shall not be considered a breach of any covenant under this Agreement and shall not be considered in determining whether a representation or warranty of Target hereunder has been breached. Acquireco and Target shall work cooperatively and use commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization. For greater certainty, Target shall not be liable for any Taxes or other costs arising as a result of, or the failure of Acquireco to benefit from any anticipated tax efficiency as a result of, a Pre-Acquisition Reorganization.

4.4 Defence of Proceedings.

Each of Target and Acquireco shall diligently defend, or shall cause to be diligently defended, any lawsuits or other legal proceedings brought against it or any of its Subsidiaries or their respective directors, officers or shareholders challenging this Agreement or the completion of the Transactions. Neither Target nor Acquireco shall settle or compromise (or permit any of their respective Subsidiaries to compromise or settle) any such claim brought in connection with the Transactions, without the prior written consent of the other (provided that written consent of Acquireco shall only be necessary to the extent settlement of such claim would bind either Acquireco or Canco or in any material respect affect, restrain or interfere with the conduct of the business of Target, Acquireco or any of their Subsidiaries or the consummation of the Transactions or be Materially Adverse to Target).

4.5 Securities Law Compliance, Regulatory Approvals and Related Covenants.

Acquireco shall:

- (a) obtain all orders, if any, required from the applicable Securities Commissions to permit the first resale of:
 - (i) any Acquireco Shares issued, transferred or delivered by or on behalf of Canco from time to time to holders of Exchangeable Shares in accordance with the provisions of the Exchangeable Shares set out in Schedule I to the Plan of Arrangement; and
 - (ii) any Acquireco Shares issued, transferred or delivered by or on behalf of Acquireco, or an Acquireco Affiliate if any, to holders of Exchangeable Shares from time to time in accordance with the terms and conditions set out in the Plan of Arrangement and Schedule I to the Plan of Arrangement;

in each case without qualification with or approval of or the filing of any prospectus, or the taking of any proceeding with, or the obtaining of any further order, ruling or consent from, any Securities Commission in any of the provinces or territories of Canada (other than, with respect to such first resales, any restrictions on transfer by reason of a holder

being a “control person” of Acquireco or Canco (as defined in the provisions attaching to the Exchangeable Shares) for purposes of Canadian provincial or territorial securities Laws; and

- (b) ensure that Canco is, at the Effective Time and for so long as there are Exchangeable Shares outstanding (other than those Exchangeable Shares held by Acquireco or any of its affiliates), a “taxable Canadian corporation” and not a “mutual fund corporation,” each within the meaning of the ITA (as of the Effective Time and any modifications to such definitions which are consistent with the principles thereof).

Acquireco shall obtain all Regulatory Approvals necessary to ensure that the distribution of the Acquireco Shares and the Exchangeable Shares pursuant to the Arrangement (including those Acquireco Shares distributable pursuant to the rights attached to the Exchangeable Shares, Acquireco Options and Target Warrants) and the first trade thereof shall not be subject to resale restrictions under applicable Law.

4.6 Registrar and Transfer Agent.

Target shall permit the registrar and transfer agent for Target Shares to act as depositary in connection with the Arrangement and shall instruct that transfer agent to furnish to Acquireco (and such persons as Acquireco may reasonably designate), at such times as Acquireco may request, any information that Acquireco may reasonably request and to provide to Acquireco (and such persons as Acquireco may designate) such other assistance as it may reasonably request in connection with the implementation and completion of the Transactions.

4.7 Access to Information; Confidentiality.

- (a) Subject to compliance with applicable Law, Target shall afford to Acquireco and to its Representatives reasonable access during normal business hours during the period prior to the Effective Time to all of the properties, books, contracts, commitments, personnel and records of Target and, during such period, Target shall furnish promptly to Acquireco (i) a copy of each report, schedule, registration statement and other document filed by Target during such period pursuant to the requirements of federal, provincial or state securities Laws and (ii) all other information concerning its business, properties and personnel as Acquireco may reasonably request, including any information with respect to Target Securityholder Approval at the Target Special Meeting and the status of the efforts to obtain such approval. Such information shall be held in confidence to the extent required by, and in accordance with, the provisions of this Agreement.
- (b) Subject to compliance with applicable Law, Acquireco shall and shall cause its Subsidiaries to afford to Target and its Representatives reasonable access during normal business hours, during the period prior to the Effective Time to all of the properties, books, contracts, commitments, personnel and records of Acquireco and its Subsidiaries and, during such period, Acquireco shall, and shall cause each of its Subsidiaries to, furnish promptly to Target (i) a copy of each report, schedule, registration statement and other document filed by Acquireco or any of its Subsidiaries during such period pursuant to the requirements of federal, provincial or state securities Laws and (ii) all other information concerning its business, properties and personnel as Target may reasonably request, including any information with respect to Acquireco Shareholder Approval at the Acquireco Special Meeting and the status of the efforts to obtain such approval. Such information shall be held in confidence to the extent required by, and in accordance with, the provisions of this Agreement.

4.8 Duty to Inform.

Each of Target and Acquireco shall keep the other apprised of the status of matters relating to the completion of the Transactions and work cooperatively in connection with obtaining the requisite approvals and consents or governmental orders, including:

- (a) promptly notifying the other of, and, if in writing, promptly furnish the other with copies of, any communications from or with any Agency with respect to the Transactions;
- (b) permitting the other party to review in advance, and considering in good faith the view of one another in connection with, any proposed communication with any Agency in connection with proceedings under or relating to any applicable Law relating to the Transactions; and
- (c) not agreeing to participate in any meeting or discussion with any Agency in connection with proceedings under or relating to any applicable Law relating to the Transactions unless it consults with the other party in advance.

4.9 Board Recommendation.

The board of directors of Target shall in the Target Circular, subject to Section 6.4, unanimously recommend that Target Shareholders approve the Arrangement. The board of directors of Acquireco shall in the Acquireco Circular, subject to Section 6.4., unanimously recommend that Acquireco Shareholders approve the Transactions.

4.10 Withholding Rights.

Target, Canco, Acquireco, Acquireco Affiliate (if any) and any person acting as depository (the "**Depository**") in connection with the Arrangement shall be entitled to deduct and withhold from any dividend, price, fee, cost, expense or other amount payable to any holder of Target Shares, Acquireco Shares or Exchangeable Shares or to Acquireco or Target such amounts as Target, Canco, Acquireco, Acquireco Affiliate (if any) or the Depository is required to deduct or withhold with respect to such payment under the ITA or any other applicable Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the person in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing Agency. To the extent that the amount so required to be deducted or withheld from any payment to a holder of securities exceeds the cash portion of the consideration otherwise payable to the holder, Target, Canco, Acquireco, Acquireco Affiliate (if any) and the Depository are hereby authorized to sell or otherwise dispose of such other portion of the consideration as is necessary to provide sufficient funds to Target, Canco, Acquireco, Acquireco Affiliate (if any) and the Depository, as the case may be, to enable it to comply with such deduction or withholding requirement and Target, Canco, Acquireco, Acquireco Affiliate (if any) and the Depository shall notify the holder thereof and remit to such holder any unapplied balance of the net proceeds of such sale.

4.11 U.S. Securities Law Matters

The parties agree that the Arrangement will be carried out with the intention that all Acquireco Shares and Exchangeable Shares issued on completion of the Arrangement to Target Securityholders in the United States, will be issued by Acquireco or Canco, as applicable, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the *U.S. Securities Act* (the "**Section 3(a)(10) Exemption**") and applicable state securities laws in reliance upon similar exemptions under applicable state securities laws. In

order to ensure the availability of the Section 3(a)(10) Exemption, the parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;
- (b) the Court will be advised as to the intention of the parties to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;
- (c) the Court will be required to satisfy itself as to the fairness of the Arrangement to the Target Securityholders subject to the Arrangement;
- (d) the Final Order will expressly state that the Arrangement is approved by the Court as being fair to the Target Securityholders;
- (e) each Target Securityholder entitled to receive Acquireco Shares or Exchangeable Shares, as applicable, in each case pursuant to the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right; and
- (f) the Interim Order approving the Target Special Meeting will specify that each Target Securityholder will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as such Target Securityholder enters an appearance within a reasonable time.

4.12 Acquireco Board and Management.

Target and Acquireco agree that on the Effective Date (i) the composition of the board of directors of Acquireco shall be amended such that the board will consist of eight (8) directors, of which five (5) will be nominees of Target and of which three (3) will be nominees of Acquireco, (ii) Thomas Larsen will be appointed as Chief Executive Officer of Acquireco, and (iii) Michael O’Keeffe will continue to serve as Chairman of Acquireco.

4.13 Concurrent Financing

Acquireco will use its reasonable endeavours to complete an equity financing to raise gross proceeds in an aggregate amount of at least A\$10 million (or such greater amount as may be agreed to by Target and Acquireco) at a subscription price per share of no less than A\$0.50 from institutional and other investors, which investors and their subscription amounts shall be acceptable to Target and Acquireco, each acting reasonably (the “**Concurrent Financing**”). Acquireco will use its reasonable efforts to obtain executed irrevocable subscriptions with subscription funds fully paid into trust in connection with the Concurrent Financing by no later than two (2) business days prior to the Effective Date (it being acknowledged that such irrevocable subscriptions may be conditional on the effectiveness of the Arrangement), and to close the Concurrent Financing by no later than one (1) business day following the Effective Date. The gross proceeds will be used for the Fire Lake feasibility study and other working capital.

ARTICLE 5 CONDUCT OF BUSINESS

5.1 Conduct of Business by Target.

Prior to the Effective Time, unless Acquireco otherwise agrees in writing, or as otherwise expressly contemplated or permitted by this Agreement or as disclosed in the Target Disclosure Statement or as required by applicable Law or by any Governmental Entity having jurisdiction,

Target shall (i) conduct its business only in, not take any action except in, and maintain its facilities and assets in, the ordinary course of business consistent with past practice, (ii) maintain and preserve its business organization and its material rights and franchises, (iii) use commercially reasonable efforts to retain the services of its officers and key employees, (iv) use commercially reasonable efforts to maintain relationships with customers, suppliers, lessees, joint venture partners, licensees, lessors, licensors and other third parties, (v) maintain all of its operational assets in their current condition (normal wear and tear excepted) to the end that the goodwill and ongoing business of Target shall not be impaired in any material respect, and (vi) maintain all mining, exploration and similar rights in good standing in accordance with all applicable Laws. Without limiting the generality of the foregoing, Target shall (unless Acquireco otherwise consents in writing (any such consent not to be unreasonably withheld, delayed or conditioned), or as otherwise expressly contemplated or permitted by this Agreement or as disclosed in the Target Disclosure Statement):

- (a) not do or permit to occur any of the following (directly or indirectly), except as required to satisfy a condition set forth herein,
 - (i) issue, grant, sell, transfer, pledge, lease, dispose of, encumber or agree to issue, grant, sell, pledge, lease, dispose of or encumber,
 - (A) any Target Shares or other securities entitling the holder to rights in respect of the securities or assets of Target, other than pursuant to rights to acquire such securities existing at the date of this Agreement as disclosed in the Target Disclosure Statement or except as otherwise disclosed in the Target Disclosure Statement, or
 - (B) any property or assets of Target (including, without limitation, mining rights), except pursuant to agreements existing at the date of this Agreement as disclosed in the Target Disclosure Statement or in the ordinary course of business consistent with past practice,
 - (ii) amend or propose to amend the constitutional documents (including articles or other organizational documents or by-laws) of it,
 - (iii) redeem, purchase or offer to purchase any securities of its capital stock, or enter into any agreement, understanding or arrangement with respect to the voting, registration or repurchase of its capital stock,
 - (iv) adjust, split, combine or reclassify its capital stock or merge, consolidate or enter into a joint venture with any person,
 - (v) acquire or agree to acquire (by purchase, amalgamation, merger or otherwise) assets from any person that individually or in the aggregate exceed \$500,000,
 - (vi) make, or commit to make, any capital expenditures that individually or in the aggregate exceed \$250,000,
 - (vii) incur, create, assume, commit to incur, act or fail to act in any manner that would reasonably be expected to accelerate any obligations in respect of, guarantee or otherwise become liable or responsible for, indebtedness for borrowed money,
 - (viii) prepay any amount owing in respect of indebtedness for borrowed money,
 - (ix) settle or compromise any suit, claim, action, proceeding, hearing, notice of violation, demand letter or investigation,

- (x) enter into, adopt or amend any Employee Benefit Plan or Employment Agreement, except as may be required by applicable Law or except as may be required to satisfy the mutual condition set out in (j) in Schedule "C" hereto,
- (xi) modify, amend or terminate, or waive, release or assign any material rights or claims with respect to any confidentiality or standstill agreement to which Target is a party,
- (xii) other than as a result of the Transactions, take any action that would give rise to a right to severance benefits pursuant to any employment, severance, termination, change in control or similar agreements or arrangements,
- (xiii) adopt or amend, or increase or accelerate the timing, payment or vesting of benefits under or funding of, any bonus, profit-sharing compensation, stock option (other than Target Options), pension, retirement, deferred compensation, employment or other employee benefit plan, agreement, trust, fund or arrangement for the benefit or welfare of any current or former employee, director or consultant,
- (xiv) amend the Target Option Plan or otherwise amend the terms of any Target Options, except that, for avoidance of doubt, Target's board of directors shall be entitled to take such steps as are necessary to accelerate the vesting of otherwise unvested Target Options,
- (xv) enter into any confidentiality agreements or arrangements other than in the ordinary course of business consistent with past practice, except as otherwise permitted in this Agreement,
- (xvi) except as otherwise required by Law, make any material Tax election, settle or compromise any material Tax claim or assessment, file any Tax Return (other than any Tax Return due before the Effective Time and then only in a manner consistent with past practice), change any method of Tax accounting or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes,
- (xvii) except as required by Law or IFRS or as determined in the good faith judgment of Target's board of directors, make any changes to existing accounting practices, or write up, write down or write off the book value of any assets in amount that, in aggregate, exceeds \$50,000, except for depreciation and amortization in accordance with IFRS,
- (xviii) enter into or modify any employment, severance, collective bargaining or similar agreements or arrangements with, or take any action with respect to or grant any salary increases, bonuses, benefits, severance or termination pay to, any current or former officers, directors or other employees or consultants except as may be required to satisfy the mutual condition set out in (j) in Schedule "C" hereto,
- (xix) take any action or fail to take any action (as the case may be) that causes or may cause:
 - (A) any mining rights of Target to be forfeited;
 - (B) the imposition of new or additional terms on the mining rights of Target which are adverse from the perspective of Target; or

- (C) the grant, or alteration of, a third party interest in any of the mining rights of Target, or
- (xx) use its commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any other coverage under those policies to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing reasonably acceptable to Acquireco providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;
- (b) not do or permit any action that would, or would reasonably be expected to, render any representation or warranty made by it in this Agreement to be untrue or inaccurate in a manner that would, or would reasonably be expected to, be Materially Adverse to Target;
- (c) promptly notify Acquireco orally and in writing of any change in the ordinary course of the business, operations or properties of Target and of any material complaints, investigations or hearings (or communications indicating that the same may be contemplated) that, individually is or in the aggregate are, or would reasonably be expected to be, Materially Adverse to Target;
- (d) not implement any other change in the business, affairs, capitalization or dividend policy of Target that is, or in the aggregate are, or would reasonably be expected to be, Materially Adverse to Target; and
- (e) not enter into or modify any contract, agreement, commitment or arrangement with respect to any of the matters set forth in this Section 5.1.

5.2 Conduct of Business by Acquireco.

Prior to the Effective Time, unless Target otherwise agrees in writing, or as otherwise expressly contemplated or permitted by this Agreement or as disclosed in the Acquireco Disclosure Statement or as required by applicable Law or by any Governmental Entity having jurisdiction, Acquireco shall, and shall cause each of its Subsidiaries to, (i) conduct its business only in, not take any action except in, and maintain its facilities and assets in, the ordinary course of business consistent with past practice, (ii) maintain and preserve its business organization and its material rights and franchises, (iii) use commercially reasonable efforts to retain the services of its officers and key employees, (iv) use commercially reasonable efforts to maintain relationships with customers, suppliers, lessees, joint venture partners, licensees, lessors, licensors and other third parties, (v) maintain all of its operational assets in their current condition (normal wear and tear excepted) to the end that the goodwill and ongoing business of Acquireco and its Subsidiaries shall not be impaired in any material respect, and (vi) maintain all mining, exploration and similar rights in good standing in accordance with all applicable Laws. Without limiting the generality of the foregoing, Acquireco shall (unless Target otherwise consents in writing (any such consent not to be unreasonably withheld, delayed or conditioned), or as otherwise expressly contemplated or permitted by this Agreement or as disclosed in the Acquireco Disclosure Statement):

- (a) not do, permit any of its Subsidiaries to do or permit to occur any of the following (directly or indirectly), except as required to satisfy a condition set forth herein,
 - (i) issue, grant, sell, transfer, pledge, lease, dispose of, encumber or agree to issue, grant, sell, pledge, lease, dispose of or encumber,

- (A) any Acquireco Shares or other securities entitling the holder to rights in respect of the securities or assets of Acquireco or its Subsidiaries, other than in connection with the Concurrent Financing or pursuant to rights to acquire such securities existing at the date of this Agreement as disclosed in the Acquireco Disclosure Statement, or
 - (B) any property or assets of Acquireco or any of its Subsidiaries (including, without limitation, mining rights), except in the ordinary course of business consistent with past practice,
- (ii) amend or propose to amend the constitutional documents (including articles or other organizational documents or by-laws) of it or any of its Subsidiaries,
 - (iii) redeem, purchase or offer to purchase any securities of its capital stock, or enter into any agreement, understanding or arrangement with respect to the voting, registration or repurchase of its capital stock,
 - (iv) adjust, split, combine or reclassify its capital stock or merge, consolidate or enter into a joint venture with any person,
 - (v) acquire or agree to acquire (by purchase, amalgamation, merger or otherwise) assets from any person that individually or in the aggregate exceed \$500,000,
 - (vi) make, or commit to make, any capital expenditures that individually or in the aggregate exceed \$250,000,
 - (vii) incur, create, assume, commit to incur, act or fail to act in any manner that would reasonably be expected to accelerate any obligations in respect of, guarantee or otherwise become liable or responsible for, indebtedness for borrowed money, other than advances from Subsidiaries of Acquireco made in the ordinary course of business consistent with past practice,
 - (viii) prepay any amount owing in respect of indebtedness for borrowed money,
 - (ix) settle or compromise any suit, claim, action, proceeding, hearing, notice of violation, demand letter or investigation,
 - (x) enter into, adopt or amend any Employee Benefit Plan or Employment Agreement, except as may be required by applicable Law,
 - (xi) modify, amend or terminate, or waive, release or assign any material rights or claims with respect to any confidentiality or standstill agreement to which Acquireco is a party,
 - (xii) other than as a result of the Transactions, take any action that would give rise to a right to severance benefits pursuant to any employment, severance, termination, change in control or similar agreements or arrangements,
 - (xiii) adopt or amend, or increase or accelerate the timing, payment or vesting of benefits under or funding of, any bonus, profit-sharing compensation, stock option (other than Acquireco Options), pension, retirement, deferred compensation, employment or other employee benefit plan, agreement, trust, fund or arrangement for the benefit or welfare of any current or former employee, director or consultant,

- (xiv) amend the Acquireco Option Plan or otherwise amend the terms of any Acquireco Options, except that, for avoidance of doubt, Acquireco's board of directors shall be entitled to take such steps as are necessary to accelerate the vesting of otherwise unvested Acquireco Options,
 - (xv) enter into any confidentiality agreements or arrangements other than in the ordinary course of business consistent with past practice, except as otherwise permitted in this Agreement,
 - (xvi) except as otherwise required by Law, make any material Tax election, settle or compromise any material Tax claim or assessment, file any Tax Return (other than any Tax Return due before the Effective Time and then only in a manner consistent with past practice), change any method of Tax accounting or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes,
 - (xvii) except as required by Law or AIFRS or as determined in the good faith judgment of Acquireco's board of directors, make any changes to existing accounting practices, or write up, write down or write off the book value of any assets in amount that, in aggregate, exceeds \$50,000, except for depreciation and amortization in accordance with AIFRS,
 - (xviii) enter into or modify any employment, severance, collective bargaining or similar agreements or arrangements with, or take any action with respect to or grant any salary increases, bonuses, benefits, severance or termination pay to, any current or former officers, directors or other employees or consultants,
 - (xix) take any action or fail to take any action (as the case may be) that causes or may cause:
 - (A) any mining rights of Acquireco or any of its Subsidiaries to be forfeited;
 - (B) the imposition of new or additional terms on the mining rights of Acquireco or any of its Subsidiaries which are adverse from the perspective of Acquireco or any of its Subsidiaries; or
 - (C) the grant, or alteration of, a third party interest in any of the mining rights of Acquireco or any of its Subsidiaries, or
 - (xx) use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies of it and its Subsidiaries not to be cancelled or terminated or any other coverage under those policies to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing reasonably acceptable to Target providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;
- (b) not do or permit any action that would, or would reasonably be expected to, render any representation or warranty made by it in this Agreement to be untrue or inaccurate in a manner that would, or would reasonably be expected to, be Materially Adverse to Acquireco and its Subsidiaries, taken as a whole;
 - (c) promptly notify Target orally and in writing of any change in the ordinary course of the business, operations or properties of Acquireco or its Subsidiaries and of any material

complaints, investigations or hearings (or communications indicating that the same may be contemplated) that, individually is or in the aggregate are, or would reasonably be expected to be, Materially Adverse to Acquireco and its Subsidiaries, taken as a whole;

- (d) not implement any other change in the business, affairs, capitalization or dividend policy of Acquireco or its Subsidiaries that is, or in the aggregate are, or would reasonably be expected to be, Materially Adverse to Acquireco and its Subsidiaries, taken as a whole; and
- (e) not enter into or modify any contract, agreement, commitment or arrangement with respect to any of the matters set forth in this Section 5.2.

ARTICLE 6 NON-SOLICITATION

6.1 Non-Solicitation; Adverse Acts.

Except in respect of any action or inaction that is expressly permitted by this Agreement, neither Principal Party shall (nor shall it permit any of its Subsidiaries to, where applicable), directly or indirectly, through any of its Representatives or any Representatives of its Subsidiaries or otherwise, directly or indirectly:

- (a) solicit, initiate, knowingly encourage, or otherwise facilitate (including by way of furnishing non-public information or providing access to or copies of, any books, records or documents) any inquiries, offers, proposals or the making by any third party of any inquiries, offers or proposals that constitute or could reasonably lead to, an Acquisition Proposal;
- (b) participate or engage in any discussions or negotiations regarding any Acquisition Proposal or inquiry, proposal or offer that could reasonably lead to an Acquisition Proposal;
- (c) approve, accept, endorse or recommend any Acquisition Proposal;
- (d) accept or enter into, or propose to accept or enter into, any agreement, arrangement or understanding related to any Acquisition Proposal; or
- (e) make a Change of Recommendation.

Additionally, each Principal Party shall and shall cause its Subsidiaries, its Representatives and the Representatives of its Subsidiaries to:

- (a) immediately cease and cause to be terminated any existing discussions or negotiations of other activities, directly or indirectly, with any person with respect to any Acquisition Proposal or that could reasonably lead to an Acquisition Proposal; and
- (b) not, directly or indirectly, waive or vary any terms or conditions of any confidentiality or standstill agreement that it has entered into with any person considering any Acquisition Proposal and shall promptly request the return (or the deletion from retrieval systems and data bases or the destruction) of all information, in each case subject to the terms and conditions of each such agreement.

6.2 Notification of Acquisition Proposal.

Each Principal Party shall, as soon as practicable but in any event within 24 hours, notify the other Principal Party, at first orally and then promptly thereafter in writing, of any Acquisition Proposal received after the date hereof, or any inquiry or proposal that such Principal Party reasonably expects to lead to an Acquisition Proposal, or any amendments to that Acquisition Proposal, or any request for information relating to any Acquisition Proposal or any request for access to a Principal Party or any of its Subsidiaries or the properties, books, or records of a Principal Party or any of its Subsidiaries, by any person that such Principal Party reasonably believes could make, or has made, any Acquisition Proposal. Such notices shall include a description of the material terms and conditions of any proposal or offer and the identity of the person making such proposal or inquiry, together with a copy of any written Acquisition Proposal. The Principal Party providing notice in accordance with this Section 6.2 shall thereafter provide such other details of the proposal or inquiry, discussions or negotiations as the other Principal Party may reasonably request and shall attach copies of all letters, agreements and other documentation (whether executed or in draft) exchanged by or on behalf of the notifying Principal Party and the party proposing such Acquisition Proposal. The notifying Principal Party shall keep the other Principal Party reasonably informed by way of further notices of the status including any change to the material terms of any such Acquisition Proposal.

6.3 Access to Information.

If a Principal Party receives a request for information from a person that has made a *bona fide* written Acquisition Proposal that did not result from a breach of this Article 6, then, and only in such case, the board of directors of such Principal Party may, subject to (only if such person is not already party to a confidentiality agreement in favour of such Principal Party) the execution by such person of a confidentiality agreement, containing terms at least as favourable to such Principal Party as those contained in Section 4 of the Exclusivity Agreement and a prohibition on such person's use of any information regarding such Principal Party or its Subsidiaries for any reason whatsoever other than as relates to such person's evaluation and consummation of the transaction that is the subject of the Acquisition Proposal, provide such person with access to confidential and/or non-public information regarding such Principal Party and its Subsidiaries; provided that such Principal Party sends a copy of any such confidentiality agreement to the other Principal Party promptly upon its execution and such Principal Party provides the other Principal Party (to the extent it has not already done so) with copies of the information provided to such person and promptly provides the other Principal Party with access to all information to which such person was provided access.

6.4 Permitted Actions.

Notwithstanding anything in this Agreement, nothing shall prevent a Principal Party, its Subsidiaries or its or their Representatives or the board of directors of the Principal Party from, at any time prior to the date that Target Securityholder Approval or Acquireco Shareholder Approval, as the case may be, is obtained:

- (a) complying with the obligations of such board of directors under applicable securities Law to prepare and deliver a directors' circular in response to a takeover bid;
- (b) provided the Principal Party has complied with Section 6.1, considering, engaging and participating in discussions or negotiations and entering into confidentiality agreements and providing information to, in each case notwithstanding Section 6.1 and in compliance with Section 6.3, regarding a *bona fide* written Acquisition Proposal that the board of directors of such Principal Party has determined by formal resolution, in good faith and after receiving confirmation in support of the board's determination from its financial advisors and outside legal counsel, that such Acquisition Proposal could reasonably be expected, if consummated, to result in a Superior Proposal;

- (c) failing to recommend (in the case of Target, to the Target Securityholders and in the case of Acquireco, to the Acquireco Shareholders) the matters to be approved by securityholders of such Principal Party at the Target Special Meeting or Acquireco Special Meeting, as applicable, in connection with the Transactions or withdrawing, amending, modifying or qualifying such recommendation, in a manner adverse to the other Principal Party, or failing to reaffirm such recommendation, within five business days after having been requested in writing by the other Principal Party to do so, in a manner adverse to the other Principal Party (a “**Change of Recommendation**”) if, in the good faith judgment of its board of directors, after consultation with legal counsel, the failure to take such action would be inconsistent with such board of directors’ exercise of fiduciary duties or such action or disclosure is otherwise required by applicable Law; provided that, for greater certainty, in the event of Change of Recommendation and a termination by the other Principal Party of this Agreement in accordance with Sections 7.1(b)(vii) or 7.1(c)(vii), as the case may be, such Principal Party shall pay the Termination Fee as required by Section 8.2(a)(ii) or Section 8.1(a)(ii), as applicable; and
- (d) participating in any proceeding in respect of a Principal Party’s shareholder rights plan, including the Target Shareholder Rights Plan, in accordance and consistent with the Principal Party’s obligations hereunder.

The board of directors of such Principal Party shall not, except in compliance with this Section 6.4 and Sections 6.5 and 6.6 enter into any other agreement, arrangement or understanding in respect of any such Acquisition Proposal.

6.5 Implementation of Superior Proposal.

Subject to the rights of the other Principal Party under Section 6.6, a Principal Party may terminate this Agreement in accordance with Section 7.1(b)(iii) or 7.1(c)(iii), as applicable, in order to enter into a definitive agreement, undertaking or arrangement in respect of a Superior Proposal only if:

- (a) such Principal Party has complied with its obligations under this Article 6 with respect to the Superior Proposal, including by providing the other Principal Party with all documentation required to be delivered under Section 6.2 and Section 6.3 and a copy of the Superior Proposal (including any draft agreement to be entered into by such Principal Party which governs the Superior Proposal);
- (b) the board of directors of the Principal Party wishing to enter into the definitive agreement, undertaking or arrangement in respect of the Superior Proposal, has made a written determination that the Acquisition Proposal constitutes a Superior Proposal, and of the intention of the board of directors to authorize such Principal Party to enter into such definitive agreement, undertaking or arrangement, together with a written notice regarding the value and financial terms that such board of directors has determined should be ascribed to any non-cash consideration offered under such Acquisition Proposal that such board of directors has determined constitutes a Superior Proposal;
- (c) a period expiring at 5:00 p.m. (Toronto time) on the fifth business day (the “**Response Period**”) after the later of (i) the date on which the other Principal Party received written notice from such Principal Party that it has resolved, subject only to compliance with this Section 6.4, to accept, or enter into a definitive agreement, undertaking or arrangement in respect of, a Superior Proposal, and (ii) the date the other Principal Party received a copy of the Superior Proposal as provided in Section 6.5(a), has elapsed;
- (d) the board of directors of such Principal Party has considered any amendment to the terms of this Agreement proposed in writing by the other Principal Party (or on its behalf) before the end of the Response Period as contemplated in Section 6.6 and determined in

good faith, having first received confirmation in support of the board's determination from its financial advisors and outside legal counsel, that the Superior Proposal remains a Superior Proposal (as assessed against this Agreement, together with the written amendments, if any, proposed by the other Principal Party before the end of the Response Period);

- (e) in the case of Target, subject to Acquireco not being in breach of or having failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, where such breach or failure would render Acquireco and Canco incapable of consummating the Transactions, Target has paid (or caused to be paid) to Acquireco the Termination Fee in accordance with Section 8.1(a)(i); and
- (f) in the case of Acquireco, subject to Target not being in breach of or having failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, where such breach or failure would render Target incapable of consummating the Transactions, Acquireco has paid (or caused to be paid) to Target the Termination Fee in accordance with Section 8.2(a)(i).

In the event that a Principal Party receives a Superior Proposal within 10 days prior to the date, in the case of Target of the Target Special Meeting or in the case of Acquireco of the Acquireco Special Meeting, such Principal Party shall be entitled to adjourn or postpone the Target Special Meeting or the Acquireco Special Meeting, as the case may be, to a date that is not more than seven business days (or such greater period as may be required to comply with applicable Law) after the end of the Response Period and if the Response Period would not terminate before the Target Special Meeting or the Acquireco Special Meeting, as applicable, at the request of the Principal Party entitled to such Response Period, the other Principal Party shall adjourn the Target Special Meeting or Acquireco Special Meeting, as the case may be, to a date that is no less than two and no more than five business days (or such greater period as may be required to comply with applicable Law) after the Response Period.

6.6 Response to Superior Proposal.

During the Response Period, the other Principal Party (the "**Matching Party**") shall have the right, but not the obligation, to offer in writing to amend the terms of this Agreement and the Arrangement. The board of directors of the Principal Party that intends to enter into an agreement, undertaking or arrangement with respect to the Superior Proposal (the "**Receiving Party**") shall review any such written offer by the Matching Party to amend this Agreement in good faith, in consultation with its financial advisors and outside legal counsel, to determine whether the Acquisition Proposal to which the Matching Party is responding would continue to be a Superior Proposal when assessed against this Agreement, as would be amended in accordance with the written amendments, if any, proposed by the Matching Party before the end of the Response Period. If the board of directors of the Receiving Party does not so determine by formal resolution, the Receiving Party shall enter into an amended agreement with the Matching Party reflecting the Matching Party's proposed written amendments. If the board of directors of the Receiving Party does so determine then, the Receiving Party may terminate this Agreement in accordance with Section 7.1(b)(iii) or 7.1(c)(iii), as applicable, in order to enter into a definitive agreement, undertaking or arrangement in respect of such Superior Proposal; provided that in no event shall the board of directors of the Receiving Party take any action prior to the end of the Response Period that may obligate the Receiving Party or any other person to seek to interfere with the completion of the Transactions, or impose any "break-up," "hello" or other fees or options or rights to acquire assets or securities, or any other obligations that would survive completion of the Transactions, on the Receiving Party or any of its Subsidiaries, property or assets and provided further that the Receiving Party has paid such amounts as may be payable to the Matching Party upon termination in accordance Section 8.1 or Section 8.2, as applicable.

6.7 General.

Each successive amendment to any material term of an Acquisition Proposal shall constitute a new Acquisition Proposal for the purpose of Section 6.5 and Section 6.6 and the relevant Principal Party shall be offered a new Response Period in respect of each such Acquisition Proposal.

ARTICLE 7 TERMINATION AND AMENDMENT OF AGREEMENT

7.1 Termination.

The rights and obligations of the parties pursuant to this Agreement may be terminated at any time before the Effective Time:

- (a) by mutual agreement in writing executed by Target and Acquireco (for itself and on behalf of Canco) (for greater certainty, without further action on the part of Target Securityholders if termination occurs after the holding of the Target Special Meeting);
- (b) by Target,
 - (i) after the Outside Date if the Effective Time has not occurred, if the conditions provided in Section 2.1 and 2.2 have not been satisfied, or waived by Target, on or before the Outside Date, provided however that the right to terminate in this Section 7.1(b)(i) shall not be available to Target if its failure to fulfill any of its obligations under this Agreement or if its breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date; or
 - (ii) if there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Target, Canco or Acquireco from consummating the Arrangement and such applicable Law (if applicable) or enjoyment shall have become final and non-appealable; or
 - (iii) at any time if the board of directors of Target authorizes Target to enter into a definitive agreement, undertaking or arrangement in respect of a Superior Proposal in the circumstances contemplated by Section 6.4(b) and Section 6.5 or 6.6 (provided that concurrently with such termination, Target pays the Termination Fee payable pursuant to Section 8.1(a)(i)); or
 - (iv) at any time following the Target Special Meeting, if Target Securityholder Approval is not obtained at the Target Special Meeting; or
 - (v) at any time following the Acquireco Special Meeting, if Acquireco Shareholder Approval is not obtained at the Acquireco Special Meeting; or
 - (vi) at any time if Acquireco shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure is, or would reasonably be expected to be, Materially Adverse to Acquireco and its Subsidiaries as a whole; or
 - (vii) if at any time, the board of directors of Acquireco,
 - (A) prior to obtaining Acquireco Shareholder Approval, makes a Change of Recommendation that is not permitted under Article 6; or

- (B) approves, recommends, endorses, accepts or authorizes Acquireco to enter into any agreement, undertaking or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement as contemplated in Article 6) not contemplated by 6.4(b) or Section 6.5(d); or
 - (viii) at any time if Acquireco (or any of its Representatives or those of its Subsidiaries) breaches or fails to perform any of the covenants or agreement set for in Article 6; and
- (c) by Acquireco,
 - (i) after the Outside Date, if the Effective Time has not occurred, if the conditions provided in Section 2.1 and 2.3 have not been satisfied or waived by Acquireco on or before the Outside Date, provided however that the right to terminate in this Section 7.1(c)(i) shall not be available to Acquireco if its failure to fulfill any of its obligations under this Agreement or if its breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date; or
 - (ii) if there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins Target, Acquireco or Canco from consummating the Arrangement and such applicable Law (if applicable) or enjoyment shall have become final and non-appealable; or
 - (iii) at any time if the board of directors of Acquireco authorizes Acquireco to enter into a definitive agreement, undertaking or arrangement in respect of a Superior Proposal in the circumstances contemplated by Section 6.4(b) and Section 6.4 or 6.6 (provided the concurrently with such termination, the Acquireco pays the Termination Fee payable pursuant to Section 8.2(a)(i)); or
 - (iv) at any time following the Target Special Meeting, if Target Securityholder Approval is not obtained at the Target Special Meeting; or
 - (v) at any time following the Acquireco Special Meeting, if Acquireco Shareholder Approval is not obtained at the Acquireco Special Meeting; or
 - (vi) at any time if Target shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure is, or would reasonably be expected to be, Materially Adverse to Target; or
 - (vii) at any time if the board of directors of Target,
 - (A) prior to obtaining Target Securityholder Approval, makes a Change of Recommendation that is not permitted under Article 6; or
 - (B) approves, recommends, endorses, accepts or authorizes Target to enter into any agreement, undertaking or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement as contemplated in Article 6) not contemplated by Section 6.4(b) or Section 6.5(d); or

- (viii) at any time if Target (or any of its Representatives or those of its Subsidiaries) breaches or fails to perform any of the covenants or agreements set forth in Article 6.

Neither Target nor Acquireco may seek to rely upon the failure to satisfy any conditions precedent in Section 2.1, 2.2 or 2.3 or exercise any termination right arising therefrom or any termination right provided in Sections 7.1(b)(vi), 7.1(b)(viii), 7.1(c)(vi) or 7.1(c)(viii) unless forthwith and in any event prior to the filing of the articles of arrangement for acceptance by the Director, Target or Acquireco, as the case may be, has delivered a written notice to the other specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which Target or Acquireco, as the case may be, is asserting as the basis for the non-fulfilment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered, provided that Target or Acquireco, as the case may be, is proceeding diligently to cure all such matters, if and for so long as all such matters are susceptible of being cured (for greater certainty, except by way of disclosure in the case of representations and warranties) ("**Curable Matters**"), the other may not terminate this Agreement as a result thereof until the earlier of (i) the date that any Curable Matter is no longer susceptible of being cured, (ii) the date that Target or Acquireco, as the case may be, is no longer proceeding diligently to cure all Curable Matters, and (iii) the later of (A) the Outside Date and (B) the expiration of a period of 15 days from the date of such notice (the "**Termination Period**"). If such notice has been delivered prior to the date of the Target Special Meeting, such meeting shall, unless the parties agree otherwise, be postponed or adjourned until the earlier of (i) the date that is two business days after the date that Target or Acquireco, as the case maybe, notifies the other that all Curable Matters have been cured, and (ii) the expiry of the Termination Period unless this Agreement is terminated on such date. If such notice has been delivered prior to the making of the application for the Final Order or the filing of the articles of arrangement for acceptance by the Director, such application and such filing shall be postponed until the earlier of (x) the date that is two business days after the date that Target or Acquireco, as the case maybe, notifies the other that all Curable Matters have been cured, and (y) the expiry of the Termination Period unless this Agreement is terminated on such date. For greater certainty, if all Curable Matters are cured within the Termination Period without being Materially Adverse to the curing party and its Subsidiaries, taken as a whole, this Agreement may not be terminated as a result of the Curable Matter having been cured.

In the event of the termination of this Agreement as provided in Section 7.1, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of Acquireco or Target hereunder except as set forth in the last paragraph of Section 1.2, this Article 7, Article 8, Section 9.4, Article 10 and Article 11, which provisions shall survive the termination of this Agreement; provided further that, subject to Section 8.2, the termination of this Agreement in accordance with Section 7.1 shall not relieve any party from any liability for any material breach by it of this Agreement that occurred prior to termination.

7.2 Amendment.

This Agreement, including the Plan of Arrangement, may be amended by written agreement of the parties at any time before and after the Target Special Meeting, but not later than the Effective Date and any such amendment may, subject to applicable Law or the Interim Order, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties;
- (b) waive any inaccuracies in or modify any representation contained in this Agreement or any document to be delivered pursuant to this Agreement;
- (c) waive compliance with or modify any of the covenants contained in this Agreement or waive or modify performance of any of the obligations of the parties; and/or

(d) waive compliance with or modify any condition precedent contained in this Agreement.

7.3 Approval of Amendments.

Target and Acquireco will use all commercially reasonable efforts to obtain the approvals of the Court, Acquireco Shareholders and Target Securityholders in respect of any amendments to this Agreement, including the Plan of Arrangement, to the extent required by applicable Law.

ARTICLE 8 TERMINATION PAYMENTS

8.1 Payment to Acquireco.

(a) If:

- (i) Target exercises its right of termination pursuant to Section 7.1(b)(iii); or
- (ii) Acquireco exercises its right of termination pursuant to Section 7.1(c)(vii),

Target shall immediately pay (or cause to be paid) the Termination Fee to Acquireco in immediately available funds to an account designated by Acquireco.

- (b) If Acquireco exercises its right of termination pursuant to Section 7.1(c)(viii), Target shall immediately pay (or cause to be paid) to Acquireco in immediately available funds to an account designated by Acquireco all properly documented fees, costs and expenses incurred by Acquireco in connection with the transactions contemplated by this Agreement and the Arrangement, up to a maximum of \$1,000,000.
- (c) If, prior to the time of the Target Special Meeting, a *bona fide* written Acquisition Proposal in relation to Target has been publicly announced and has not been withdrawn and at any time within the six months after the date of such termination, Target approves, recommends, accepts, enters into any agreement, undertaking or arrangement in respect of, or consummates such Acquisition Proposal or any variation thereof is completed by Target, Target shall immediately pay to Acquireco on closing of such Acquisition Proposal the Termination Fee in immediately available funds to an account designated by Acquireco.

8.2 Payment to Target.

(a) If:

- (i) Acquireco exercises its rights of termination pursuant to Section 7.1(c)(iii), or
- (ii) Target exercises its right of termination pursuant to Section 7.1(b)(vii),

Acquireco shall immediately pay (or cause to be paid) the Termination Fee to Target in immediately available funds to an account designated by Acquireco.

- (b) If Target exercises its right of termination pursuant to Section 7.1(b)(viii), Acquireco shall immediately pay (or cause to be paid) to Target in immediately available funds to an account designated by Target all properly documented fees, costs and expenses incurred by Target in connection with the transactions contemplated by this Agreement and the Arrangement, up to a maximum of \$1,000,000.

- (c) If prior to the time of the Acquireco Special Meeting, a *bona fide* written Acquisition Proposal in relation to Acquireco or its Subsidiaries has been publicly announced and has not been withdrawn and at any time within the six months after the date of such termination, Acquireco approves, recommends, accepts, enters into any agreement, undertaking or arrangement in respect of, or consummates such Acquisition Proposal or any variation thereof is completed, Acquireco shall immediately pay to Target on closing of such Acquisition Proposal the Termination Fee in immediately available funds to an account designated by Target.

8.3 Damages.

The parties acknowledge and agree that the payment of the Termination Fee or other amounts set forth in Section 8.1 and Section 8.2 are payments of liquidated damages which are a genuine pre-estimate of the damages which the parties would suffer or incur as a result of the event giving rise to such damages and the resultant termination of this Agreement and are not a penalty. The parties further acknowledge and agree, however, that, notwithstanding any other provision in this Agreement to the contrary, in connection with any termination where a Termination Fee or other amount is not otherwise paid or payable pursuant to Section 8.1 or Section 8.2, the parties shall be entitled to any additional remedies set forth in this Agreement, including injunctive relief and specific performance, and all additional and other remedies available at law or in equity to which the parties, as applicable, may be entitled. Each of the parties irrevocably waives any right it may have to raise a defence that any amounts that are required to be paid pursuant to Section 8.1 or Section 8.2 are excessive or punitive. Each of the parties agrees that the payment of the Termination Fee and other amounts set forth in Section 8.1 and Section 8.2 are the sole and exclusive remedies of the parties in respect of the events giving rise to the payment of such amounts. Nothing in this Section 8.3 shall relieve any party in any way from liability for damages incurred or suffered by the other parties hereto as a result of an intentional or wilful breach of this Agreement by the first named party.

ARTICLE 9 ACQUIRECO COVENANTS

9.1 Indemnities.

From and after the Effective Time, and subject to the immediately following paragraph, Acquireco shall, and shall cause Target to, indemnify and hold harmless and provide advancement of expenses to, and Acquireco shall not do anything to prevent Target from indemnifying and holding harmless and providing advancement of expenses to, all present and past directors and officers of Target (the "**Indemnified Persons**") to the maximum extent permitted by Law and in accordance with the terms of any such arrangements between Target and its present and past directors and officers existing on the date hereof, against any and all liabilities and obligations, costs or expenses (including reasonable legal fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative arising out of or related to such Indemnified Person's service as a director or officer of Target or services performed by such persons at the request of Target at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time (to the extent the Indemnified Person acted honestly and in good faith and in the best interests of Target and in the case of criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Person had reasonable grounds for believing that the conduct was lawful), including the approval of this Agreement, the Arrangement or the other transactions contemplated by this Agreement or arising out of or related to this Agreement and the Transactions contemplated hereby.

Without the consent of the Indemnified Person, neither Acquireco nor Target shall settle, compromise or consent to the entry of any judgment in any claim, action, suit, proceeding or

investigation or threatened claim, action, suit, proceeding or investigation for which indemnification is required to be provided under this Article 9 (i) unless such settlement, compromise or consent includes an unconditional release of the applicable Indemnified Person (which release shall be in form and substance satisfactory to such Indemnified Person, acting reasonably) from all liability arising out of such action, suit, proceeding, investigation or claim or such Indemnified Person otherwise consents or (ii) that includes an admission of fault of such Indemnified Person.

Subject only to the limitations set forth in this Article 9, all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time and rights to advancement of expenses relating thereto now existing in favour of any Indemnified Person as provided in the articles of incorporation or by-laws of Target or any indemnification contract or policy between such Indemnified Person and Target shall survive the Effective Time and shall not be amended, repealed or otherwise modified in any manner that would adversely affect any right thereunder of any such Indemnified Person.

9.2 Directors and Officers Insurance and Other Indemnification Matters.

Acquireco hereby acknowledges and consents to Target securing, prior to the Effective Time directors' and officers' liability insurance coverage from a reputable and financially sound insurance carrier, and containing terms and conditions that are no less advantageous to the directors and officers of Target than those contained in Target's policy in effect on the date hereof, for the current and former directors and officers of Target on a six year "trailing" (or "run-off") basis with respect to any claim related to any period of time at or prior to the Effective Time; provided, however, that Acquireco does not consent to, and Target shall not maintain or obtain policies providing such coverage if the annual cost is greater than 250% of the most recent annual premium paid by Target prior to the date hereof (the "**Cap**"). Acquireco shall cause Target to maintain such coverage following the Effective Time, but provided, further, that if equivalent coverage cannot be obtained, or can be obtained only by paying an annual premium in excess of the Cap, Acquireco shall only be required to cause Target to obtain as much coverage as can be obtained by paying an annual premium equal to the Cap.

9.3 Employment Agreements.

Acquireco covenants and agrees, at and after the Effective Time, that it will cause Target and any of its successors to honour and comply with the terms of all existing employment agreements and consulting and personal service contracts for officers and consultants of Target, including termination, severance, change of control, retention clauses, plans or policies and pension plans and similar agreements of Target as disclosed in the Target Disclosure Statement. Nothing in this Section 9.3 shall limit Target from terminating any of such officers, consultants or employees, subject to applicable Law and the terms of any applicable contract.

9.4 Third Party Beneficiaries.

This agreement is not intended to, and shall not, confer upon any other person any rights or remedies hereunder, except as set forth in or contemplated by the terms and provisions of Section 9.1, 9.2, 9.3, this Section 9.4 and the last paragraph of Section 1.2 (which provisions shall for greater certainty survive the Effective Time and continue in full force and effect in accordance with their terms after the Effective Time).

9.5 Guarantee.

Acquireco unconditionally and irrevocably guarantees, covenants and agrees to be jointly and severally liable with Canco for the due and punctual performance of each and every obligation of Canco arising in respect of the Transactions.

9.6 Election Not To Be a Public Corporation or a Reporting Issuer.

As soon as possible after the Effective Date, Acquireco will ensure that Target complies with prescribed conditions and will elect in the prescribed manner to cease to be (a) a “public corporation” within the meaning of the ITA, and (b) a “reporting issuer” within the meaning of Canadian securities Law.

**ARTICLE 10
PUBLIC DISCLOSURE**

10.1 General.

Target and Acquireco shall consult with each other as to the general nature of any news releases or public statements with respect to this Agreement or the Transactions, and shall use their respective commercially reasonable efforts not to issue any news releases or public statements inconsistent with the results of such consultations. Subject to applicable Law, each party shall use its commercially reasonable efforts to enable the other party to review and comment on all such news releases and public statements prior to the release thereof.

10.2 Corporate Names.

Acquireco shall not change its name or the names of any of its Subsidiaries to a name that includes the word “Champion” prior to the Effective Time.

**ARTICLE 11
GENERAL**

11.1 Definitions.

For the purposes of this Agreement, those terms defined in Schedule A and Schedule B shall have the meanings attributed to them in those Schedules.

11.2 Assignment.

Except as expressly permitted by the terms hereof, neither this Agreement including (for greater certainty) the Plan of Arrangement, nor any of the rights, interests or obligations hereunder or thereunder shall be assigned by either of the parties without the prior written consent of the other party. Acquireco may, in the course of a reorganization, assign all or any part of its rights or obligations under this Agreement, except for the obligation to issue Acquireco Shares, to one or more of its direct or indirect wholly-owned Subsidiaries or any combination thereof provided that if such assignment takes place, Acquireco shall continue to be fully liable as primary obligor and not merely as surety and, on a joint and several basis with any such entity, to Target for any default in performance by the assignee of any of Acquireco’s obligations hereunder or Canco’s obligations arising in respect of the Transactions and Acquireco agrees to provide to Target a guarantee in form and substance satisfactory to Target in respect thereof.

11.3 Binding Effect.

This Agreement, including (for greater certainty) the Plan of Arrangement, shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns. No third party shall have any rights under this Agreement except as expressly set forth in Section 9.4.

11.4 Representatives.

Each of Target and Acquireco shall ensure that its and its Subsidiaries' Representatives (other than persons who are insiders only as a result of their shareholdings) are aware of the provisions of this Agreement, and each of Target and Acquireco shall be responsible for any breach of those provisions by any of those persons, respectively.

11.5 Responsibility for Expenses.

Except as provided in Section 8.1 and Section 8.2, each party to this Agreement shall pay its own expenses incurred in connection with this Agreement and the completion of the Transactions that it contemplates, whether or not the Arrangement and the Transactions are completed.

11.6 Time.

Time shall be of the essence of this Agreement in each and every matter or thing herein provided.

11.7 Notices.

- (a) Each party shall give prompt notice to the other of:
 - (i) the occurrence or failure to occur of any event that causes, or would reasonably be expected to cause, any representation or warranty on its part contained in this Agreement to be untrue or inaccurate or that is or would reasonably be expected to be, Materially Adverse to either of the Principal Parties; and
 - (ii) any material breach of its obligations under this Agreement, provided that no such notification shall affect the representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement.
- (b) Each of Target and Acquireco shall give prompt notice to the other of any previously undisclosed fact of which it becomes aware after the date of this Agreement that is, or would reasonably be expected to be Materially Adverse to either of the Principal Parties or, in the case of Acquireco, is or would reasonably be expected to be Materially Adverse to the ability of Acquireco to perform its obligations under this Agreement or Canco to perform its obligations arising in respect of the Transactions.
- (c) Any notice or other communications required or permitted to be given under this Agreement shall be sufficiently given if delivered in person, by overnight courier, or if sent by facsimile transmission (provided such transmission is recorded as being transmitted successfully):
 - (i) in the case of Target, to the following address:

Target
Attn: Mr. Thomas Larsen
20 Adelaide Street East, Suite 301
Toronto, Ontario M5C 2T6

Tel: (416) 416-866-2200
Fax: (416) 416-361-1333

with a copy to (which shall not constitute notice):

Norton Rose Fulbright Canada LLP
Attn: Mr. Robert Mason
Royal Bank Plaza, South Tower
Suite 3800
Toronto, Ontario M5J 2Z4

Tel: (416) 216-2967
Fax: (416) 216-3930

(ii) in the case of Acquireco, to the following address:

Acquireco

Attn: Mr. Michael O’Keeffe
91 Evans Street
Rozelle NSW 2039

Tel: +61 2 9810 7816
Fax: + 61 2 8065 5017

with a copy to (which shall not constitute notice):

Ashurst Australia

Attn: Mr. Gary Lawler
Level 36, Grosvenor Place, 225 George Street
Sydney NSW 2000
GPO Box 9938, Sydney NSW 2001

Tel: +61 2 9258 6000
Fax: +61 2 9258 6999

or at such other address as the party to which such notice or other communication is to be given has last notified the party giving the same in the manner provided in this section, and if so given, the same shall be deemed to have been received on the date of such delivery or sending.

11.8 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein. Each party hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising hereunder or related hereto.

11.9 Injunctive Relief.

Except as otherwise provided herein (including Article 8), any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby or by Law or equity upon such party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy. The parties hereto hereby agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the parties hereto acknowledge and hereby agree that in the event of any breach or threatened breach by Target, on the one hand, or Acquireco, on the other hand, of any of their

respective covenants or obligations set forth in this Agreement, Target, on the one hand, and Acquireco, on the other hand, shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other under this Agreement. Each of the parties hereto hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other party under this Agreement.

The parties hereto further agree that, except as provided herein (including Article 8) (x) by seeking the remedies provided for in this Section 11.9, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 11.9 are not available or otherwise are not granted, and (y) nothing set forth in this Section 11.9 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 11.9 prior or as a condition to exercising any termination right under Section 7.1 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 7.1 or pursue any other remedies under this Agreement that may be available then or thereafter.

11.10 Currency.

Except as expressly indicated otherwise, all sums of money referred to in this Agreement are expressed and shall be payable in Canadian dollars.

11.11 Knowledge.

Where the phrase "to the knowledge of Target" is used, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the actual knowledge of Thomas Larsen, Chief Executive Officer, after reasonable inquiry within Target (which, for greater certainty, shall not require any new third party audits or studies or require any enquiries of third parties).

Where the phrase "to the knowledge of Acquireco" is used, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the actual knowledge of Michael O'Keeffe, Chairman, after reasonable inquiry within Acquireco (which, for greater certainty, shall not require any new third party audits or studies or require any enquiries of third parties).

11.12 Entire Agreement.

This Agreement, including the Plan of Arrangement, constitutes the entire agreement of the parties with respect to the Transactions, as of the date of this Agreement, and shall supersede all agreements, understandings, negotiations and discussions whether oral or written, between the parties with respect to the Transactions on or prior to the date of this Agreement, and supersedes all prior agreements related hereto, including the Exclusivity Agreement (but excluding only clause 4 thereof).

11.13 Further Assurances.

Each party shall, from time to time, and at all times hereafter, at the request of the other party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof and of the Plan of Arrangement.

The parties shall act in a commercially reasonable manner in exercising their rights and performing their duties under this Agreement.

11.14 Waivers and Modifications.

Target and Acquireco may waive or consent to the modification of, in whole or in part, any inaccuracy of any representation or warranty made to it under this Agreement or in any document to be delivered pursuant to this Agreement and may waive or consent to the modification of any or the obligations contained in this Agreement for its benefit or waive or consent to the modification of any of the obligations of the other party. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting such waiver or consent.

11.15 Privacy Issues.

(a) For the purposes of this Section 11.15, the following definitions shall apply:

- (i) “**applicable law**” means, in relation to any person, transaction or event, all applicable Law by which such person is bound or having application to the transaction or event in question, including applicable privacy laws;
- (ii) “**applicable privacy laws**” means any and all applicable Law relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act (Canada)* and/or any comparable provincial law;
- (iii) “**authorized authority**” means, in relation to any person, transaction or event, any: (A) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign; (B) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government; (C) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; and (D) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such person, transaction or event; and
- (iv) “**Personal Information**” means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual’s capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual disclosed or transferred to Acquireco by Target in accordance with this Agreement and/or as a condition of the Arrangement.

- (b) The parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use or disclosure of Personal Information disclosed to either party pursuant to or in connection with this Agreement (the “**Disclosed Personal Information**”).
- (c) Prior to the completion of the Arrangement, neither party shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement. After the completion of the transactions contemplated herein, a party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless: (i) either party shall have first notified such individual of such additional purpose, and where required by applicable law, obtained the consent of such individual to such additional purpose; or (ii) such use or disclosure is permitted or authorized by applicable law, without notice to, or consent from, such individual. Target shall notify Acquireco of the purposes for which the Disclosed Personal Information was initially collected prior to the Effective Date.
- (d) Each party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the parties shall proceed with the Arrangement, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the Arrangement.
- (e) Each party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with applicable law, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- (f) Subject to the following provisions, each party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the parties’ obligations hereunder. Prior to the completion of the Arrangement, each party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective party who have a *bona fide* need to access such information in order to complete the Arrangement.
- (g) Where authorized by applicable law, each party shall promptly notify the other party to this Agreement of all inquiries, complaints, requests for access, variations or withdrawals of consent and claims of which the party is made aware in connection with the Disclosed Personal Information. To the extent permitted by applicable Law, the parties shall fully cooperate with one another, with the persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, variations or withdrawals of consent and claims.
- (h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either party, the other party shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the requesting party or, at the requesting party’s request, destroy in a secure manner, the Disclosed Personal Information (and any copies thereof) in its possession.

11.16 Liability.

No director or officer of Acquireco or Canco shall have any personal liability whatsoever to Target or any third party beneficiary under this Agreement or any other document delivered in connection with the Transactions contemplated hereby on behalf of Acquireco or Canco.

No director or officer of Target shall have any personal liability whatsoever to Acquireco or Canco under this Agreement or any other document delivered in connection with the Transactions contemplated hereby on behalf of Target.

11.17 Schedules.

The following are the Schedules to this Agreement, which form an integral part hereof:

- Schedule A – Definitions
- Schedule B – Plan of Arrangement, Including Provisions Attaching to the Exchangeable Shares
- Schedule C – Mutual Conditions
- Schedule D – Conditions in Favour of Target
- Schedule E – Conditions in Favour of Acquireco
- Schedule F – Representations and Warranties of Target
- Schedule G – Representations and Warranties of Acquireco
- Schedule H – Support Agreement
- Schedule I – Voting and Exchange Trust Agreement

11.18 Counterparts.

This Agreement may be signed in any number of counterparts (by facsimile or otherwise), each of which shall be deemed to be original and all of which, when taken together, shall be deemed to constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce more than one counterpart.

11.19 Date For Any Action.

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a business day, such action shall be required to be taken on the next succeeding day which is a business day.

11.20 Interpretation.

When a reference is made in this Agreement to a Section or Sections, Exhibit or Schedule, such reference shall be to a Section or Sections of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning, construction or interpretation of this Agreement.

11.21 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner Materially Adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original

intent of the parties as closely as possible in an acceptable manner to the end that the Transactions are fulfilled to the maximum extent possible.

* * * * *

[Signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date first written above.

CHAMPION IRON MINES LIMITED

Per: "Jorge Estepa"
Name: Jorge Estepa
Title: Vice President and Secretary-
Treasurer

MAMBA MINERALS LIMITED

Per: "Michael O'Keeffe"
Name: Michael O'Keeffe
Title: Chairman

Per: "Niall Lenahan"
Name: Niall Lenahan
Title: Director and Company Secretary

SCHEDULE A

DEFINITIONS

“**Acquireco**” means Mamba Minerals Limited ABN 34 119 770 142, a corporation incorporated under the laws of Australia.

“**Acquireco Affiliate**” means a direct or indirect wholly owned Subsidiary of Acquireco to which Acquireco has transferred and assigned the Liquidation Call Right pursuant to Section 5.1(a) of the Plan of Arrangement, the Redemption Call Right pursuant to Section 5.2(a) of the Plan of Arrangement, the Change of Law Call Right pursuant to Section 5.3(a) of the Plan of Arrangement or the Retraction Call Right pursuant to Section 6(1) of the Exchangeable Share Provisions, as applicable.

“**Acquireco Circular**” has the meaning set out in Section 1.4 of this Agreement.

“**Acquireco Disclosure Statement**” means the statement delivered by Acquireco to Target concurrently with the execution of this Agreement (in materially and substantially the form reviewed by Target prior to execution of this Agreement).

“**Acquireco Information**” means all information (including all financial information, historical, *pro forma* or otherwise) as may be reasonably requested by Target or as required by the Interim Order or applicable Laws to be disclosed in the Target Circular and any amendment or supplement thereto with respect to Acquireco, Canco and their respective businesses and properties and any securities to be issued by Acquireco or Canco in connection with the Arrangement, including all information required for the Target Circular to provide full, true and plain disclosure of all material facts relating to the securities of Acquireco and Canco to be issued in connection with this Agreement, including under the Plan of Arrangement.

“**Acquireco Options**” means options to acquire Acquireco Shares issued pursuant to Acquireco’s stock option plan.

“**Acquireco Option Consideration**” has the meaning ascribed to the term “Acquireco Option Consideration” in the Plan of Arrangement.

“**Acquireco Optionholders**” means the holders at the relevant time of Acquireco Options.

“**Acquireco Property**” has the meaning set out in Section (r) of Schedule G of this Agreement.

“**Acquireco Public Disclosure Documents**” has the meaning set out in Section (f) of Schedule G of this Agreement.

“**Acquireco Securityholders**” means, collectively, the Acquireco Shareholders and the Acquireco Optionholders.

“**Acquireco Share Consideration**” has the meaning ascribed to the term “Acquireco Share Consideration” in the Plan of Arrangement.

“**Acquireco Shareholders**” means the holders of Acquireco Shares.

“**Acquireco Shares**” means the fully paid ordinary shares of Acquireco.

“**Acquireco Special Meeting**” means a meeting of the shareholders of Acquireco, including any postponement or adjournment thereof, to be called and held in accordance with the *Corporations Act* 2001 and the Listing Rules of the ASX to obtain Acquireco Shareholder Approval.

“Acquireco Shareholder Approval” means all Acquireco shareholder approvals which are necessary under any applicable Law in Australia for the purpose, or in pursuance, of the Transactions.

“Acquireco Supporting Shareholders” has the meaning set out in Section 1.5 of this Agreement.

“Acquireco Voting Support Agreements” means the agreements entered into on or after the date hereof between Target and certain Acquireco Securityholders with respect to the voting of Acquireco Shares or Acquireco Options, as applicable, in favour of the Transactions.

“Acquisition Proposal” means, other than the transactions contemplated in this Agreement, any proposal, inquiry or offer with respect to any transaction (by purchase, merger, amalgamation, arrangement, business combination, liquidation, dissolution, recapitalization, take-over bid or otherwise) made after the date hereof relating to: (i) any acquisition, sale, lease, long-term supply agreement or other arrangement having the same economic effect as a sale, direct or indirect, of: (a) the assets of a Principal Party and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of such Principal Party and its Subsidiaries taken as a whole; or (b) 20% or more of any voting or equity securities of a Principal Party or any of its Subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of such Principal Party and its Subsidiaries, taken as a whole; (c) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of a Principal Party; or (d) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving a Principal Party or any of its Subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of such Principal Party and its Subsidiaries, taken as a whole.

“Act” or the **“OBCA”** means the *Business Corporations Act* (Ontario), as amended.

“affiliate” has the meaning corresponding to **“affiliated companies”** in the *Securities Act* (Ontario), as amended and includes subsidiaries that are wholly owned either directly or indirectly.

“Agency” means any domestic or foreign court, tribunal, federal, state, provincial or local government or governmental agency, department or authority or other regulatory authority (including the TSX and the ASX) or administrative agency or commission (including the Securities Commissions and the Australian Securities & Investments Commission) or any elected or appointed public official.

“Agreement” means this arrangement agreement together with the schedules attached, as amended, amended and restated or supplemented from time to time;

“AIFRS” means Australian International Financial Reporting Standards.

“Arrangement” means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with this Agreement (including the Plan of Arrangement) or made at the direction of the Court with the consent of the parties, acting reasonably.

“ASX” means the Australian Securities Exchange or any successor exchange.

“Authorized Capital” has the meaning set out in Section (c) of Schedule F of this Agreement.

“business day” means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Toronto, Ontario, or Perth, Western Australia, under applicable Law.

“Business Personnel” has the meaning set out in Section (n) of Schedule F of this Agreement.

“Canco” means a corporation to be incorporated by Acquireco under the laws of the Province of Ontario as a direct wholly owned subsidiary that issues the Exchangeable Shares pursuant to the Arrangement.

“Cap” has the meaning set out in Section 9.2 of this Agreement.

“Change of Law Call Right” has the meaning provided in the Plan of Arrangement.

“Change of Recommendation” has the meaning set out in Section 6.4(c) of this Agreement.

“Concurrent Financing” has the meaning set out in Section 4.13 of this Agreement.

“Contract” has the meaning set out in Section (d) of Schedule F of this Agreement.

“Court” means the Ontario Superior Court of Justice (Commercial List).

“CRA” means the Canada Revenue Agency.

“Depositary” has the meaning set forth in Section 4.10 of this Agreement.

“Director” means the Director appointed pursuant to Section 278 of the OBCA.

“Dissenting Shareholders” means holders of Target Shares that have exercised Dissent Rights and are ultimately entitled to be paid the fair value of their Target Shares as determined in accordance with the Plan of Arrangement.

“Dissent Rights” has the meaning set out in Section 3.1 of the Plan of Arrangement.

“Effective Date” means the date on or before the Outside Date on which the Arrangement becomes effective in accordance with the OBCA and the Final Order.

“Effective Time” means 12:01 a.m. on the Effective Date.

“Employee Benefit Plan” means any employee benefit plan, program, policy, practices or other arrangement providing benefits to any current or former employee, officer, consultant or director of Target or any beneficiary or dependant thereof that is sponsored or maintained by Target or to which Target contributes or is obligated to contribute or with respect to which Target may have liabilities, whether or not written, and any bonus, incentive, deferred compensation, vacation, stock purchase, stock option, severance, employment, change of control or fringe benefit plan, program or agreement.

“Employment Agreement” means a contract, offer, letter or agreement of Target with or addressed to any individual, or a personal services corporation for such individual, who is rendering or has rendered services thereto as an employee or consultant pursuant to which Target has any actual or contingent liability or obligation to provide compensation and/or benefits in consideration for past, present or future services.

“Environmental Laws” means all applicable Laws, including applicable common law, relating to the protection of the environment and employee and public health and safety.

“Exchangeable Share Consideration” has the meaning ascribed thereto in the Plan of Arrangement.

“Exchangeable Share Provisions” means the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares, which rights, privileges, restrictions and conditions shall be in substantially the form set out in Appendix I attached to the Plan of Arrangement.

“Exchangeable Shares” means the exchangeable shares to be created and issued in the capital of Canco as more particularly described in Appendix I to the Plan of Arrangement.

“Exchange Time” has the meaning set out in Section 1.1 of Schedule B of this Agreement.

“Exclusivity Agreement” means the exclusivity agreement dated November 15, 2013 and effective November 18, 2013 between Target and Acquireco, as amended pursuant to an extension agreement between Target and Acquireco dated November 26, 2013 and effective November 27, 2013.

“Fairness Opinion” means the opinion of the Financial Advisor to the board of directors of Target to the effect that, as of the date of the opinion, the consideration to be received by Target Shareholders pursuant to the Arrangement is fair to Target Shareholders (other than Acquireco and its affiliates) from a financial point of view.

“Filed Acquireco Public Disclosure Documents” has the meaning set out in Section (f) of Schedule G of this Agreement.

“Filed Target Public Disclosure Documents” has the meaning set out in Section (g) of Schedule F of this Agreement.

“Final Order” means the final order of the Court approving the Arrangement pursuant to Section 182 of the OBCA, as such order may be amended by the Court at any time before the Effective Time, or if appealed, unless that appeal is withdrawn or denied, as affirmed or as amended on appeal.

“Financial Advisor” means Canaccord Genuity Corp.

“Fire Lake” means that mineral exploration project being undertaken by Target in the Labrador Trough in the Province of Quebec, Canada and described by Target as the “Consolidated Fire Lake North Project”.

“Governmental Entity” means any applicable (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or entity, whether domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

“Hazardous Substance” means any chemical, material or substance in any form, whether solid, liquid, gaseous, semisolid or any combination thereof, whether waste material, raw material, finished product, intermediate product, by-product or any other material or article, that is listed or regulated under any Environmental Laws as a hazardous substance, toxic substance, waste or contaminant or is otherwise listed or regulated under any Environmental Laws because it poses a hazard to human health or the environment, including petroleum products, asbestos, PCBs, urea formaldehyde foam insulation and lead-containing paints or coatings.

“IFRS” has the meaning ascribed thereto in National Instrument 14-101 *Definitions*.

“including” means “including without limitation” and **“includes”** means “includes without limitation.”

“Indemnified Persons” has the meaning set out in Section 9.1 of this Agreement.

“Interim Order” means an interim order of the Court, as may be amended, providing for, among other things, the calling and holding of the Target Special Meeting.

“ITA” means the *Income Tax Act* (Canada), as amended.

“Law” means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of any Agency.

“Liquidation Call Right” has the meaning set out in the Plan of Arrangement.

“Material Employment Agreement” means an Employment Agreement pursuant to which Target has or could have an obligation to provide compensation and/or benefits (including, without limitation, severance pay or benefits) in an amount or having a value in excess of \$100,000 per year.

“Materially Adverse” means, with respect to a person, a fact, circumstance, change, effect, occurrence, event or state of facts that, individually or in the aggregate, is or would reasonably be expected to (A) materially and adversely affect the financial condition, operations, results of operations, business, prospects, assets or capital of that person, or (B) prevent such person from performing its obligations under this Agreement, the Transactions or any other agreement contemplated hereby or thereby; provided that, except as hereinafter set forth in this definition, no fact, circumstance, change, effect, occurrence, event or state of facts relating to any of the following, individually or in the aggregate, shall be considered Materially Adverse, solely as contemplated in (A) above: (i) any change in the trading price or trading volume of Target Shares or Acquireco Shares, as the case may be; (ii) any change in conditions generally affecting the mining industry as a whole; (iii) any change in the market price of iron ore; (iv) any change in generally acceptable accounting principles; (v) any change in applicable Laws; (vi) any matters disclosed in this Agreement, in the Target Disclosure Statement or in the Acquireco Disclosure Statement; (vii) any action or inaction taken by Target or Acquireco or any of its Subsidiaries, as the case may be, to which the other party has expressly consented in writing or as expressly permitted by this Agreement; or (viii) a decline in the TSX or ASX level, as applicable, following the date hereof.

“MI 61-101” means Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

“Outside Date” means June 5, 2014 or such later date to which each of Target and Acquireco may agree in writing.

“Performance Shares” means the 6,400,000 A Class Performance Shares, the 6,400,000 B Class Performance Shares, the 6,400,000 C Class Performance Shares, the 6,400,000 D Class Performance Shares and the 6,400,000 E Class Performance Shares issued in the capital of Acquireco having the terms and conditions set out in the Explanatory Statement which accompanied Acquireco's notice of general meeting dated 10 August 2012.

“person” includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Agency, syndicate or other entity, whether or not having legal status.

“Plan” means any Employee Benefit Plan.

“Plan of Arrangement” means the plan of arrangement in the form and content of Schedule B annexed to the Arrangement Agreement, and any amendments or variations thereto made in accordance with Section 7.2 of the Arrangement Agreement or Section 6 of the Plan of Arrangement or made at the direction of the Court with the consent of the parties, acting reasonably.

“Pre-Acquisition Reorganization” has the meaning set out in Section 4.3 of this Agreement.

“Principal Parties” means Target and Acquireco, and **“Principal Party”** means either one of them.

“Redemption Call Right” has the meaning provided in the Plan of Arrangement.

“Regulatory Approvals” means those sanctions, rulings, consents, orders, waivers, exemptions, permits and other approvals of an Agency (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a time lapses following the giving of notice without an objection being made by an Agency) required by Target, Acquireco and Canco in respect of the Transactions.

“Retraction Call Right” has the meaning provided in the Plan of Arrangement.

“Retraction Request” has the meaning provided in the Plan of Arrangement.

“Release” shall mean any release, spill, leak, discharge, abandonment, disposal, pumping, pouring, emitting, emptying, injecting, leaching, dumping, depositing, dispersing, passive migration, allowing to escape or migrate into or through the environment (including ambient air, surface water, ground water, land surface and subsurface strata or within any building, structure, facility or fixture) of any Hazardous Substance, including the abandonment or discarding of Hazardous Substances in barrels, drums, tanks or other containers, regardless of when discovered.

“Remedial Action” shall mean any investigation, feasibility study, monitoring, testing, sampling, removal (including removal of underground storage tanks), restoration, clean up, remediation, closure, site restoration, remedial response or remedial work.

“Representatives” of a person means, collectively, the directors, officers, employees, professional advisors, agents or other authorized representatives of such person.

“Response Period” has the meaning set out in Section 6.5(c) of this Agreement.

“Securities Commissions” means the securities regulatory authorities in each of the provinces of Canada.

“Subsidiaries” means, in respect of a person, each of the corporate entities, partnerships and other entities over which it exercises direction or control.

“Superior Proposal” means any *bona fide* written Acquisition Proposal made after the date hereof by a third party that did not result from a contravention of Article 6 of this Agreement, that, in the good faith determination of the board of directors of Target or Acquireco, as the case may be, (following consultation with their financial advisors, (including, in the case of Target, the Financial Advisor) and outside legal advisors): (i) is reasonably capable of being completed (taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal), (ii) is not subject to due diligence and/or access to information condition, (iii) if in cash or partly in cash, is fully financed or is capable of being fully financed taking into account the creditworthiness of Target or Acquireco, as the case may be, and (iv) would, if consummated in accordance with its terms, be more favourable to the shareholders of Target or Acquireco, as the case may be, provided that applicable securities Laws are met, and the failure to recommend such Acquisition Proposal to Target Shareholders or Acquireco Shareholders, as the case may be, would constitute a breach of its fiduciary duties under applicable Laws.

“Support Agreement” means the support agreement substantially in the form attached to this Agreement as Schedule H.

“Target” means Champion Iron Mines Limited, a corporation incorporated under the laws of Ontario.

“Target Circular” means the notice of special meeting and accompanying management information circular of Target, including all appendices thereto, to be sent to Target Securityholders in connection with the Target Special Meeting.

“Target Disclosure Statement” means the statement delivered by Target to Acquireco concurrently with the execution of this Agreement (in materially and substantially the form reviewed by Acquireco prior to execution of this Agreement).

“Target Optionholders” means the holders at the relevant time of Target Options.

“Target Option Plan” means the amended and restated stock option plan of Target effective August 10, 2012, as may be amended in accordance with this Agreement.

“Target Options” means all options to purchase Target Shares issued pursuant to the Target Option Plan.

“Target Plans” has the meaning set out in Section (o) of Schedule F of this Agreement.

“Target Property” has the meaning set out in Section (v) of Schedule F of this Agreement.

“Target Public Disclosure Documents” has the meaning set out in Section (e) of Schedule F of this Agreement.

“Target Shareholder Rights Plan” means the shareholder rights plan of Target created pursuant to the shareholder rights plan agreement between Target and Equity Financial Trust Company, dated June 30, 2011, as amended, amended and restated or supplemented from time to time.

“Target Securityholders” means, collectively, the Target Shareholders and the Target Optionholders.

“Target Securityholder Approval” means, collectively (i) the approval of the Arrangement by the affirmative vote of 66 2/3% of the votes cast at the Target Special Meeting by Target Shareholders, (ii) the approval of the Arrangement by the affirmative vote of 66 2/3% of the votes cast at the Target Special Meeting by Target Shareholders and Target Optionholders voting as a single class, and (iii) the approval of the Arrangement by the affirmative vote of the majority of the votes cast at the Target Special Meeting by Target Shareholders in accordance with the minority approval requirements of MI 61-101.

“Target Shareholders” means the holders at the relevant time of Target Shares.

“Target Shares” means the common shares in the capital of Target.

“Target Special Meeting” means the special meeting of Target Securityholders, including any postponement or adjournment thereof, to be called and held in accordance with the Interim Order to consider and, if deemed advisable, approve the Arrangement.

“Target Supporting Shareholders” has the meaning set out in Section 1.5 of this Agreement.

“Target Voting Support Agreements” means the agreements entered into on or after the date hereof between Acquireco and certain Target Securityholders with respect to the voting of Target Shares or Target Options, as applicable, in favour of the Transactions.

“Target Warrants” means all outstanding warrants to acquire Target Shares of which 22,000,000 are issued and outstanding as at the date of this Agreement.

“Tax” and **“Taxes”** has the meaning set out in Section (k) of Schedule F of this Agreement.

“Tax Return” has the meaning set out in Section (k) of Schedule F of this Agreement .

“Termination Fee” means \$1,000,000.

“Transactions” means the Arrangement and the other transactions related to the acquisition of Target by Acquireco contemplated by this Agreement and the other agreements contemplated hereby.

“TSX” means the Toronto Stock Exchange or any successor exchange.

“U.S. Securities Act” means the United States Securities Act of 1933, as amended.

“U.S. Securities Laws” means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder.

“Voting and Exchange Trust Agreement” means the voting and exchange trust agreement substantially in the form attached to this Agreement as Schedule I.

SCHEDULE B

PLAN OF ARRANGEMENT, INCLUDING PROVISIONS ATTACHING TO THE EXCHANGEABLE SHARES

1 INTERPRETATION

1.1 Definitions.

In this Plan of Arrangement:

“**Acquireco**” means Mamba Minerals Limited ABN 34 119 770 142, a corporation incorporated under the laws of Australia.

“**Acquireco Affiliate**” means a direct or indirect wholly owned Subsidiary of Acquireco to which Acquireco has transferred and assigned the Liquidation Call Right pursuant to Section 5.1(a) of this Plan of Arrangement, the Redemption Call Right pursuant to Section 5.2(a) of this Plan of Arrangement, the Change of Law Call Right pursuant to Section 5.3(a) of this Plan of Arrangement or the Retraction Call Right pursuant to Section 6(1) the Exchangeable Share Provisions, as applicable.

“**Acquireco Option Consideration**” has the meaning provided in Section 2.2(c) of this Plan of Arrangement.

“**Acquireco Share Consideration**” means the consideration in the form of eleven (11) Acquireco Shares for every fifteen (15) Target Shares elected, or deemed to be elected by a Target Shareholder (other than a Dissenting Shareholder), pursuant to Section 2.3 of this Plan of Arrangement.

“**Acquireco Shareholders**” means the holders at the relevant time of Acquireco Shares.

“**Acquireco Shares**” means the ordinary fully paid shares in the capital of Acquireco.

“**Acquireco Special Voting Shares**” means the special voting shares in the capital of Acquireco having substantially the rights, privileges, restrictions and conditions described in the Voting and Exchange Trust Agreement.

“**affiliate**” has the meaning corresponding to “affiliated companies” in the *Securities Act* (Ontario), as amended.

“**Agency**” means any domestic or foreign court, tribunal, federal, state, provincial or local government or governmental agency, department or authority or other regulatory authority (including the TSX and the ASX) or administrative agency or commission (including the Securities Commissions and the Australian Securities & Investments Commission) or any elected or appointed public official.

“**Ancillary Rights**” means the interest of a holder of Exchangeable Shares as a beneficiary of the trust created under the Voting and Exchange Trust Agreement.

“**Arrangement**” means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with this Plan of Arrangement or made at the direction of the Court with the consent of the parties, acting reasonably.

“ASX” means the Australian Securities Exchange, or any successor exchange

“Arrangement Agreement” means the arrangement agreement made as of December 5, 2013 between Target and Acquireco to which this Schedule B is attached and forms a part, as amended, supplemented and/or restated in accordance with its terms.

“business day” means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Toronto, Ontario or Perth, Western Australia, under applicable Law.

“Canadian Dollar Equivalent” means in respect of an amount expressed in a currency other than Canadian dollars (the **“Foreign Currency Amount”**) at any date the product obtained by multiplying:

- (a) the Foreign Currency Amount; by
- (b) the noon spot exchange rate on the business day immediately preceding such date for such foreign currency expressed in Canadian dollars as reported by the Bank of Canada or, in the event such spot exchange rate is not available, such spot exchange rate on the business day immediately preceding such date for such foreign currency expressed in Canadian dollars as may be mutually agreed upon by Acquireco and Target to be appropriate for such purpose, which determination shall be conclusive and binding.

“Canadian Resident” means (i) a person who is a resident of Canada for the purposes of the ITA or (ii) a partnership that is a “Canadian partnership” for purposes of the ITA.

“Canco” means a corporation incorporated under the laws of Ontario that issues the Exchangeable Shares pursuant to the Arrangement.

“Change of Law” means any amendment to the ITA and other applicable provincial income tax laws that permits holders of Exchangeable Shares who are resident in Canada, for the purposes of the ITA, to exchange their Exchangeable Shares for Acquireco Shares on the basis set out in Section 5.3 of this Plan of Arrangement and will not require such holders to recognize any gain or loss or any dividend or deemed dividend in respect of such exchange for the purposes of the ITA or applicable provincial income tax laws.

“Change of Law Call Date” has the meaning provided in Section 5.3(d) of this Plan of Arrangement.

“Change of Law Call Purchase Price” has the meaning provided in Section 5.3(a) of this Plan of Arrangement.

“Change of Law Call Right” has the meaning provided in Section 5.3(a) of this Plan of Arrangement.

“Court” means the Ontario Superior Court of Justice (Commercial List).

“CRA” means the Canada Revenue Agency.

“Current Market Price” has the meaning provided in the Exchangeable Share Provisions.

“Depository” means the person acting as depository under the Arrangement.

“Dissenting Shareholders” means holders of Target Shares that have duly and validly exercised Dissent Rights and are ultimately entitled to be paid the fair value of their Target Shares as determined in accordance with Section 3.1 of this Plan of Arrangement.

“Dissent Rights” has the meaning provided in Section 3.1 of this Plan of Arrangement.

“Dividend Amount” means an amount equal to all declared and unpaid dividends on an Exchangeable Share held by a holder on any dividend record date which occurred prior to the date of purchase, redemption or other acquisition of such share by Acquireco from such holder.

“Effective Date” means the date on or before the Outside Date on which the Arrangement becomes effective in accordance with the OBCA and the Final Order.

“Effective Time” means 12:01 a.m. on the Effective Date.

“Election Deadline” means 4:30 p.m. (Toronto time) on the business day immediately prior to the date of the Target Special Meeting or, if such meeting is adjourned, such time on the business day immediately prior to the date of such adjourned meeting.

“Eligible Holder” means a Target Shareholder who is (i) a Canadian Resident, (ii) not exempt from tax under Part I of the ITA (or, in the case of a partnership, none of the partners of which is exempt from tax under Part I of the ITA) and (iii) not a “financial institution” as defined in Section 142.2 of the ITA.

“Exchange Ratio” means 0.7333333, as may be adjusted pursuant to Section 2.6 of this Plan of Arrangement.

“Exchange Time” means the time that the steps in Section 2.2 of this Plan of Arrangement occur.

“Exchangeable Elected Shares” means Target Shares (other than Target Shares held by Acquireco or an affiliate) that the Eligible Holder thereof shall have elected in accordance with Section 2.3(b) of this Plan of Arrangement in a duly completed Letter of Transmittal and Election Form deposited with the Depository no later than the Election Deadline to transfer to Canco under the Arrangement for the Exchangeable Share Consideration.

“Exchangeable Share Consideration” means the consideration in the form of eleven (11) Exchangeable Shares, together with Ancillary Rights, for every fifteen (15) Target Shares elected, or deemed to be elected pursuant to Section 2.3 of this Plan of Arrangement by an Eligible Holder pursuant to Section 2.3 of this Plan of Arrangement.

“Exchangeable Share Provisions” means the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares, which rights, privileges, restrictions and conditions shall be in substantially the form set out in Appendix I hereto.

“Exchangeable Shares” means the exchangeable shares in the capital of Canco as more particularly described in Appendix I hereto.

“Final Order” means the final order of the Court approving the Arrangement, as such order may be amended by the Court, at any time before the Effective Time, or if appealed, unless that appeal is withdrawn or denied, as affirmed or as amended on appeal.

“holder” means a Target Shareholder, Target Warrantholder or a Target Optionholder, as the context requires.

“including” means “including without limitation” and **“includes”** means “includes without limitation”.

“Interim Order” means an interim order of the Court, as may be amended by the Court, providing for, among other things, the calling and holding of the Target Special Meeting.

“ITA” means the *Income Tax Act* (Canada), as amended.

“Law” means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, published policies, notices, directions and judgments or other requirements of any Agency, in each case having the force of law.

“Letter of Transmittal and Election Form” means the letter of transmittal and election form for use by holders of Target Shares, in the form accompanying the Target Circular.

“Liquidation Amount” has the meaning provided in the Exchangeable Share Provisions.

“Liquidation Call Right” has the meaning provided in Section 5.1(a) of this Plan of Arrangement.

“Liquidation Call Purchase Price” has the meaning provided in Section 5.1(a) of this Plan of Arrangement.

“Liquidation Date” has the meaning provided in the Exchangeable Share Provisions.

“OBCA” means the *Business Corporation Act* (Ontario), as amended.

“Outside Date” means June 5, 2014 or such later date to which each of Target and Acquireco may agree in writing.

“person” includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Agency, syndicate or other entity, whether or not having legal status.

“Plan of Arrangement” means this plan of arrangement as amended, varied or supplemented in accordance with the terms hereof, the terms of the Arrangement Agreement or made at the direction of the Court, with the consent of the parties to the Arrangement Agreement, acting reasonably.

“Redemption Call Purchase Price” has the meaning provided in Section 5.2(a) of this Plan of Arrangement.

“Redemption Call Right” has the meaning provided in Section 5.2(a) of this Plan of Arrangement.

“Redemption Date” has the meaning provided in the Exchangeable Share Provisions.

“Regulation S” means Regulation S promulgated under the U.S. Securities Act.

“Replacement Option” has the meaning provided in Section 2.2(c) of this Plan of Arrangement.

“Retraction Call Right” has the meaning provided in the Exchangeable Share Provisions.

“Securities Commission” means the securities regulatory authorities in each of the provinces of Canada.

“Support Agreement” means an agreement to be made among Acquireco and Canco in connection with this Plan of Arrangement substantially in the form and substance of Schedule H to the Arrangement Agreement.

“Target” means Champion Iron Mines Limited, a corporation incorporated under the laws of the Province of Ontario.

“Target Circular” means the notice of special meeting and accompanying management information circular of Target, including all appendices thereto, to be sent to Target Shareholders, Target Warrantholders and Target Optionholders in connection with the Target Special Meeting.

“Target Options” means the options to purchase Target Shares issued pursuant to the Target Option Plan or any predecessor option plan of the Target

“Target Option Plan” means the stock option plan of the Target as adopted on August 30, 2006 and amended on September 28, 2007, September 30, 2008, August 28, 2009, September 3, 2010, June 30, 2011 and July 13, 2012, as may be amended.

“Target Optionholders” means the holders at the relevant time of Target Options.

“Target Securityholders” means, collectively the Target Shareholders and the Target Optionholders.

“Target Shareholder Rights Plan” means the shareholder rights plan of Target created pursuant to the shareholder rights plan agreement between Target and Equity Financial Trust Company, dated June 30, 2011.

“Target Shareholders” means the holders at the relevant time of Target Shares.

“Target Shares” means common shares in the capital of Target.

“Target Special Meeting” means the special meeting of Target Securityholders, including any postponement or adjournment thereof, to be called and held in accordance with the Interim Order to consider and, if deemed advisable, approve the Arrangement.

“Target Optionholders” means the holders at the relevant time of the Target Options.

“Target Warrantholders” means the holders at the relevant time of Target Warrants.

“Target Warrants” means (i) 15,000,000 common share purchase warrants represented by warrant certificate No. W2013-001, dated July 31, 2013, exercisable for 15,000,000 Target Shares for an exercise price of \$0.25 per Target Share; and (ii) 7,000,000 non-transferrable common share purchase warrants represented by warrant certificate No. W2012-001, dated May 17, 2012, exercisable for 7,000,000 Target Shares for an exercise price of \$3.00 per Target Share.

“Tax Election Package” means two copies of CRA form T-2057, or, if the Target Shareholder is a partnership, two copies of CRA form T-2058 and, where delivered by the applicable Target Shareholder to Target, two copies of any applicable equivalent provincial or territorial election form, which forms have been duly and properly completed and executed by the Acquireco Shareholder in accordance with the rules contained in the ITA or the relevant provincial legislation, as applicable.

“Transfer Agent” means the person as may from time to time be appointed by Canco as the registrar and transfer agent for the Exchangeable Shares.

“Trustee” has the meaning provided in the Exchangeable Share Provisions.

“TSX” means the Toronto Stock Exchange or any successor exchange.

“United States” means the United States as that term is defined in Regulation S.

“U.S. Person” means a U.S. Person as that term is defined in Regulation S.

“U.S. Securities Act” means the United States Securities Act of 1933, as amended.

“Voting and Exchange Trust Agreement” means an agreement to be made among Acquireco, Canco and the Trustee in connection with this Plan of Arrangement substantially in the form of Schedule I to the Arrangement Agreement.

1.2 Headings and References.

The division of this Plan of Arrangement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specified, references to Sections are to Sections of this Plan of Arrangement.

1.3 Currency.

Except as expressly indicated otherwise, all sums of money referred to in this Plan of Arrangement are expressed and shall be payable in Canadian dollars.

1.4 Time.

Time shall be of the essence in each and every matter or thing herein provided. Unless otherwise indicated, all times expressed herein are local time at Toronto, Ontario.

2 THE ARRANGEMENT

2.1 Binding Effect.

Subject to the terms of the Arrangement Agreement, the Arrangement will become effective at the Effective Time and be binding at and after the Effective Time on Target, Acquireco, Canco and all holders and beneficial holders of Target Shares and Target Options and Target Warrants.

2.2 The Arrangement.

Commencing at the Effective Time on the Effective Date, subject to the terms and conditions of the Arrangement Agreement, the following steps shall occur as part of the Arrangement and shall be deemed to occur in the following sequence without any further act or formality.

- (a) The Target Shareholder Rights Plan shall be deemed to have been terminated (and all rights thereunder shall expire and be of no further force or effect).
- (b) Each Target Warrant outstanding immediately prior to the Effective Time, whether or not vested, will be adjusted either, in accordance with its terms, or otherwise in accordance with this Plan of Arrangement, such that the holder shall be entitled to acquire, on the same terms and conditions as were applicable to such Target Warrant immediately prior to the Effective Time, the number of Acquireco Shares equal to the product of (i) the

number of Target Shares subject to such Target Warrant immediately prior to the Effective Time and (ii) the Exchange Ratio. The exercise price per Acquireco Share subject to such Target Warrant shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (i) the exercise price per Target Share subject to such Target Warrant immediately prior to the Effective Time and (ii) the Exchange Ratio. Except as set out above, the Target Warrant shall be governed by the terms of the certificates evidencing the Target Warrants prior to the Effective Time. Where a holder concurrently exercises a number of Target Warrants, the aggregate number of Acquireco Shares to which such holder is entitled shall be rounded down to the nearest whole number and the aggregate exercise price payable shall be rounded to the nearest cent. The Target Warrants will not be exercisable in the United States or by or on behalf of a U.S. Person unless an exemption from registration under the U.S. Securities Act and applicable state securities laws is available.

- (c) Each Target Option outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged for an option issued by Acquireco (a “**Replacement Option**”) to acquire (on the same terms and conditions as were applicable to such Target Option immediately prior to the Effective Time under the Target Option Plan and the agreement evidencing the grant), the number of Acquireco Shares equal to the product of (i) the number of Target Shares subject to such Target Option immediately prior to the Effective Time and (ii) the Exchange Ratio (the “**Acquireco Option Consideration**”). The exercise price per Acquireco Share subject to any such Replacement Option shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (i) the exercise price per Target Share subject to such Target Option immediately prior to the Effective Time and (ii) the Exchange Ratio. Except as set out above, all other terms of each Replacement Option shall be the same as the terms of the Target Option for which it was exchanged, and shall be governed by the terms of the Target Option Plan and any certificate or agreement previously evidencing the Target Option shall thereafter evidence and be deemed to evidence such Replacement Option, and such Replacement Options shall be designed to meet the requirements under subsection 7(1.4) of the ITA. Where a holder concurrently exercises a number of Replacement Options, the aggregate number of Acquireco Shares to which such holder is entitled shall be rounded down to the nearest whole number and the aggregate exercise price shall be rounded to the nearest cent. On and after the Effective Time, no further Target Options will be granted under the Target Option Plan. The obligations of the Target under the Target Option Plan in respect of the Target Options will be assumed by Acquireco. The Replacement Options will not be exercisable in the United States or by or on behalf of a U.S. Person unless an exemption from registration under the U.S. Securities Act and applicable state securities laws is available.
- (d) Five minutes after the Effective Time, each issued and outstanding Target Share (other than Exchangeable Elected Shares and other than Target Shares held by Acquireco or an affiliate thereof or Dissenting Shareholders) held by a Target Shareholder shall be exchanged with Acquireco for the Acquireco Share Consideration in accordance with Section 2.3 of this Plan of Arrangement.
- (e) Five minutes after the Effective Time, each Exchangeable Elected Share shall be exchanged with Canco for Exchangeable Share Consideration in accordance with the election of such Target Shareholder pursuant to Section 2.3 of this Plan of Arrangement.
- (f) Five minutes after the Effective Time, Acquireco and Canco shall execute the Support Agreement and Acquireco, Canco and the Transfer Agent shall execute the Voting and Exchange Trust Agreement and Acquireco shall issue to and deposit with the Transfer Agent the Acquireco Special Voting Shares in consideration of the payment to Acquireco by Target on behalf of the Target Shareholders of one dollar (\$1.00), to be thereafter held of record by the Transfer Agent as trustee for and on behalf of, and for the use and

benefit of, the holders of the Exchangeable Shares in accordance with the Voting and Exchange Trust Agreement. All rights of holders of Exchangeable Shares under the Voting and Exchange Trust Agreement shall be received by them as part of the property receivable by them under Section 2.2(d) of this Plan of Arrangement in exchange for the Exchangeable Elected Shares for which they were exchanged.

- (g) On the Effective Date, (i) the composition of the board of directors of Acquireco shall be amended such that the board will consist of eight (8) directors, of which five (5) directors will be nominees of Target and of which three (3) will be nominees of Acquireco, (ii) Thomas Larsen will be appointed as Chief Executive Officer of Acquireco and (iii) Michael O'Keefe will continue to serve as Chairman of Acquireco.

2.3 Consideration Elections.

With respect to the exchange of securities effected pursuant to Sections 2.2(d) and 2.2(e) of this Plan of Arrangement:

- (a) Target Shareholders other than Eligible Holders shall receive, in respect of each Target Share exchanged, the Acquireco Share Consideration;
- (b) Target Shareholders who are Eligible Holders may elect to (i) receive in respect of any or all of their Target Shares, the Exchangeable Share Consideration; and (ii) receive in respect of the balance of their Target Shares, if any, the Acquireco Share Consideration;
- (c) an election by a Target Shareholder under Section 2.3(b) of this Plan of Arrangement shall be made by depositing with the Depository, prior to the Election Deadline, a duly completed Letter of Transmittal and Election Form indicating such Target Shareholder's election, together with any certificates representing such holder's Target Shares; and
- (d) any Target Shareholder who does not deposit with the Depository a duly completed Letter of Transmittal and Election Form prior to the Election Deadline, or otherwise fails to comply with the requirements of Section 2.3(c) of this Plan of Arrangement and the Letter of Transmittal and Election Form in respect of any such Target Shareholder's Target Shares, shall be deemed to have elected to receive the Acquireco Share Consideration in respect of each such Target Share.

2.4 Income Tax Elections.

Target Shareholders who are Eligible Holders who are entitled to receive Exchangeable Share Consideration under the Arrangement shall be entitled to make an income tax election pursuant to subsection 85(1) of the ITA or, if the person is a partnership, subsection 85(2) of the ITA (and in each case, where applicable, the analogous provisions of provincial income tax Law) with respect to the transfer of their Target Shares to Canco by providing the Tax Election Package to the Depository within 90 days following the Effective Date, duly completed with the details of the number of Target Shares transferred and the applicable agreed amounts (which cannot be less than the fair market value of the Ancillary Rights at the Exchange Time). Thereafter, subject to the Tax Election Package being correct and complete and complying with the provisions of the ITA (or applicable provincial income or corporate tax Law), the relevant forms will be signed by Canco and returned to such persons within 90 days after the receipt thereof by the Depository for filing with the CRA (or the applicable provincial taxing Agency) by such persons. Canco will not be responsible for the proper or accurate completion of the Tax Election Package or to check or verify the content of any election form and, except for Canco's obligation to return duly completed Tax Election Packages which are received by the Depository within 90 days of the Effective Date, within 90 days after the receipt thereof by the Depository, Canco will not be responsible for any taxes, interest or penalties or any other costs or damages resulting from the failure of a Target Shareholder to properly and accurately complete or file the necessary election forms in the prescribed

form and manner and within the time prescribed by the ITA (or any applicable provincial legislation). In its sole discretion, Canco may choose to sign and return Tax Election Packages received more than 90 days following the Effective Date, but Canco will have no obligation to do so.

2.5 Share Registers.

Every Target Shareholder from whom a Target Share is acquired pursuant to the Arrangement shall be removed from the register of holders of Target Shares at the time of that acquisition pursuant to the Arrangement and shall cease to have any rights in respect of such Target Shares, and Acquireco or Canco, as applicable, shall become the holder of such Target Shares and shall be added to that register at that time and shall be entitled as of that time to all of the rights and privileges attached to the Target Shares. Every Target Shareholder who acquires Exchangeable Shares or Acquireco Shares pursuant to the Arrangement shall be added to the register of holders of Exchangeable Shares or Acquireco Shares, respectively, and shall be entitled as of the time of the exchange to all of the rights and privileges attached to the Exchangeable Shares or Acquireco Shares, as the case may be.

2.6 Adjustments to Consideration.

The consideration to be paid pursuant to Section 2.2(d) and Section 2.2(e) of this Plan of Arrangement shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any dividend or distribution of securities convertible into Acquireco Shares or Target Shares, other than stock dividends paid in lieu of ordinary course dividends), reorganization, recapitalization or other like change with respect to Acquireco Shares or Target Shares occurring after the date of the Arrangement Agreement and prior to the Effective Time.

3 DISSENT RIGHTS

3.1 Dissent Rights.

Holders of Target Shares may exercise rights of dissent with respect to those Target Shares pursuant to, and (except as expressly indicated to the contrary in this Section 3.1 of this Plan of Arrangement), in the manner set forth in, Section 185 of the OBCA and this Section 3.1 of this Plan of Arrangement (the “**Dissent Rights**”) in connection with the Arrangement; provided that, notwithstanding Section 185(6) of the OBCA, the written objection to the resolution approving the Arrangement referred to in Section 185(6) of the OBCA must be received by Target not later than 4:30 p.m. (Toronto time) on the business day before the Target Special Meeting; and provided further that, notwithstanding the provisions of Section 185 of the OBCA, Target Shareholders who duly exercise Dissent Rights and who:

- (a) ultimately are determined to be entitled to be paid fair value for their Target Shares shall be entitled to a payment in cash equal to such fair value, which fair value, notwithstanding anything to the contrary contained in Section 185 of the OBCA, shall be determined as of the Exchange Time and shall be deemed to have transferred those Target Shares in respect of which Dissent Rights have been duly and validly exercised as of the Exchange Time at the fair value of the Target Shares determined as of the Exchange Time, without any further act or formality and free and clear of all liens and claims, Acquireco; or
- (b) ultimately are determined not to be entitled, for any reason, to be paid fair value for their Target Shares, shall be deemed to have participated in the Arrangement on the same basis as a holder of Target Shares who has not exercised Dissent Rights and shall receive the consideration provided in Section 2.3(d) of this Plan of Arrangement, but in no case shall Target, Acquireco, Canco, the Depositary or any other person be required to recognize any such holder as a holder of Target Shares on or after the Exchange Time and the names of each such holder shall be deleted from the register of holders of Target Shares at the Exchange Time.

4 SHARE DEPOSIT

4.1 Share Deposit.

Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Exchange Time represented Target Shares that were exchanged under the Arrangement, together with a duly completed Letter of Transmittal and Election Form and such other documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive, and promptly after the Exchange Time the Depositary shall deliver to such person written evidence of the book entry issuance in uncertificated form to, or certificates registered in the name of, such person representing that number of Exchangeable Shares and/or Acquireco Shares which such person is entitled to receive less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement, and any certificate so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of such Target Shares which was not registered in the transfer records of Target, written evidence of the book entry issuance of, or certificates representing, the number of Exchangeable Shares and/or Acquireco Shares issuable to the registered holder may be registered in the name of and issued to the transferee if the certificate representing such Target Shares is presented to the Depositary, accompanied by a duly completed Letter of Transmittal and Election Form and all documents required to evidence and effect such transfer. Without limiting the provisions of Sections 2.6 and 4.5 of this Plan of Arrangement, until surrendered as contemplated by this Section 4.1 of this Plan of Arrangement, each certificate which immediately prior to the Exchange Time represented one or more outstanding Target Shares that, under the Arrangement, were exchanged pursuant to Section 2.2(d) and 2.2(e) of this Plan of Arrangement, shall be deemed at all times after the Exchange Time to represent only the right to receive upon such surrender (i) the consideration to which the holder thereof is entitled under the Arrangement, or as to a certificate held by a Dissenting Shareholder (other than a shareholder who exercised Dissent Rights who is deemed to have participated in the Arrangement pursuant to Section 3.1(b) of this Plan of Arrangement), to receive the fair value of the Target Shares represented by such certificate, and (ii) any dividends or distributions with a record date after the Exchange Time theretofore paid or payable with respect to any Exchangeable Shares or Acquireco Shares issued in exchange therefor as contemplated by Section 4.2 of this Plan of Arrangement, in each case less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement.

4.2 Distributions with Respect to Unsurrendered Certificates.

No dividends or other distributions paid, declared or made with respect to Exchangeable Shares or Acquireco Shares, in each case with a record date after the Exchange Time, shall be paid to the holder of any unsurrendered certificate which immediately prior to the Exchange Time represented outstanding Target Shares unless and until such person shall have complied with the provisions of Section 4.1 of this Plan of Arrangement. Subject to applicable Law, and to the provisions of Section 4.5 of this Plan of Arrangement, at the time such person shall have complied with the provisions of Section 4.1 of this Plan of Arrangement (or, in the case of clause (ii) below, at the appropriate payment date), there shall be paid to such person, without interest (i) the amount of dividends or other distributions with a record date after the Exchange Time theretofore paid with respect to the Exchangeable Share or the Acquireco Share, as the case may be, to which such person is entitled pursuant hereto, and (ii) on the appropriate payment date, the amount of dividends or other distributions with a record date after the Exchange Time but prior to the date of compliance by such person with the provisions of Section 4.1 of this Plan of Arrangement and a payment date subsequent to the date of such compliance and payable with respect to such Exchangeable Shares or Acquireco Shares, as the case may be.

4.3 No Fractional Shares.

No fractional Exchangeable Shares or fractional Acquireco Shares shall be issued upon compliance with the provisions of Section 4.1 of this Plan of Arrangement and no dividend, stock split or other change in the capital structure of Canco or Acquireco shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of Canco or

Acquireco. All such fractional Exchangeable Shares or fractional Acquireco Shares shall be rounded up to the nearest whole number of Exchangeable Shares or Acquireco Shares, as the case may be.

4.4 Lost Certificates.

In the event any certificate which immediately prior to the Exchange Time represented one or more outstanding Target Shares that were exchanged pursuant to Section 2.2(d) or Section 2.2(e), as applicable, of this Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depositary will pay or issue in exchange for such lost, stolen or destroyed certificate, any cash and/or Exchangeable Shares or Acquireco Shares (and any dividends or distributions with respect thereto) deliverable in accordance with Section 2.2(d) or Section 2.2(e), as applicable, of this Plan of Arrangement and such holder's Letter of Transmittal and Election Form. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the person to whom cash (if any) and/or Exchangeable Shares or Acquireco Shares are to be paid or issued shall, as a condition precedent to the payment or issuance thereof, give a bond satisfactory to Target, Canco, Acquireco and their respective transfer agents in such amount as Target, Canco or Acquireco may direct or otherwise indemnify Target, Canco and Acquireco in a manner satisfactory to Target, Canco and Acquireco against any claim that may be made against Target, Canco or Acquireco with respect to the certificate alleged to have been lost, stolen or destroyed.

4.5 Extinction of Rights.

Any certificate which immediately prior to the Exchange Time represented outstanding Target Shares that were exchanged pursuant to Section 2.2(d) or Section 2.2(e), as applicable, of this Plan of Arrangement that is not deposited with all other instruments required by Section 4.1 of this Plan of Arrangement on or prior to the date of the notice referred to in Section 7(2) of the Exchangeable Share Provisions shall cease to represent a claim or interest of any kind or nature as a securityholder of Canco or Acquireco. On such date, the cash and/or Exchangeable Shares and/or Acquireco Shares to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to Canco. None of Acquireco, Target, Canco or the Depositary shall be liable to any person in respect of any cash delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

4.6 Withholding Rights.

Target, Canco, Acquireco, an Acquireco Affiliate if any, and the Depositary shall be entitled to deduct and withhold from any dividend, price or consideration otherwise payable to any holder of Target Options, Target Warrants, Target Shares, Acquireco Shares or Exchangeable Shares such amounts as Target, Canco, Acquireco, an Acquireco Affiliate, if any, or the Depositary is required to deduct or withhold with respect to such payment under the ITA or any other applicable Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the securities in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing Agency. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, Target, Canco, Acquireco, an Acquireco Affiliate, if any, and the Depositary are hereby authorized to sell or otherwise dispose of such other portion of the consideration as is necessary to provide sufficient funds to Target, Canco, Acquireco, an Acquireco Affiliate, if any, and the Depositary, as the case may be, to enable them to comply with such deduction or withholding requirement and Target, Canco, Acquireco, an Acquireco Affiliate, if any, and the Depositary shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

5 RIGHTS OF ACQUIRECO TO ACQUIRE EXCHANGEABLE SHARES

5.1 Acquireco Liquidation Call Right.

- (a) Acquireco shall have the overriding right (the “**Liquidation Call Right**”), in the event of and notwithstanding the proposed liquidation, dissolution or winding-up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, pursuant to Section 5 of the Exchangeable Share Provisions, to purchase from all but not less than all of the holders of Exchangeable Shares (other than any holder of Exchangeable Shares which is Acquireco or an affiliate of Acquireco) on the Liquidation Date all but not less than all of the Exchangeable Shares held by each such holder on payment by Acquireco of an amount per share (the “**Liquidation Call Purchase Price**”) equal to the Current Market Price of Acquireco Shares on the last business day prior to the Liquidation Date plus the Dividend Amount, which amount per share shall be satisfied in full by Acquireco delivering to such holder one Acquireco Share plus cash or a cheque in an amount equal to any Dividend Amount.
- (b) Acquireco may transfer and assign the Liquidation Call Right to an Acquireco Affiliate. Where Acquireco so transfers and assigns the Liquidation Call Right, for the purposes of this Section 5.1 of this Plan of Arrangement, references to Acquireco (excluding, for greater certainty, references to an Acquireco Share) shall mean such Acquireco Affiliate, as applicable.
- (c) In the event of the exercise of the Liquidation Call Right by Acquireco, each holder shall be obligated to sell to Acquireco all the Exchangeable Shares held by such holder on the Liquidation Date on payment to such holder by Acquireco of the Liquidation Call Purchase Price for each such share, and Canco shall have no obligation to pay any Liquidation Amount or Dividend Amount to the holders of such shares so purchased by Acquireco.
- (d) To exercise the Liquidation Call Right, Acquireco must notify Canco and the Transfer Agent, as agent for the holders of Exchangeable Shares, of Acquireco’s intention to exercise such right at least 45 days before the Liquidation Date in the case of a voluntary liquidation, dissolution or winding-up of Canco or any other voluntary distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, and at least five business days before the Liquidation Date in the case of an involuntary liquidation, dissolution or winding-up of Canco or any other involuntary distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs. The Transfer Agent will notify the holders of Exchangeable Shares as to whether or not Acquireco has exercised the Liquidation Call Right forthwith after the expiry of the period during which the same may be exercised by Acquireco. If Acquireco exercises the Liquidation Call Right, then on the Liquidation Date, Acquireco will purchase and the holders will sell all of the Exchangeable Shares then outstanding for a price per share equal to the Liquidation Call Purchase Price.
- (e) For the purposes of completing the purchase of the Exchangeable Shares pursuant to the Liquidation Call Right, Acquireco shall deposit or cause to be deposited with the Transfer Agent, on or before the Liquidation Date, the aggregate number of Acquireco Shares which Acquireco shall deliver pursuant to Section 5.1(a) of this Plan of Arrangement and a cheque or cheques of Acquireco payable at par at any branch of the bankers of Acquireco representing the aggregate Dividend Amount, if any, in payment of the total Liquidation Call Purchase Price, in each case less any amounts deducted or withheld pursuant to Section 4.6 of this Plan of Arrangement. Provided that Acquireco has complied with the immediately preceding sentence, on and after the Liquidation Date the holders of the Exchangeable Shares shall cease to be holders of the Exchangeable

Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive their proportionate part of the aggregate Liquidation Call Purchase Price without interest, unless payment of the aggregate Liquidation Call Purchase Price for the Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the following provisions of this Section 5.1(e) of this Plan of Arrangement, in which case the rights of the holders shall remain unaffected until the aggregate Liquidation Call Purchase Price has been paid in the manner herein provided. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and articles of Canco and such additional documents, instruments and payments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Acquireco shall transfer to such holder, the Acquireco Shares to which such holder is entitled and as soon as reasonably practicable thereafter the Transfer Agent shall deliver to such holder written evidence of the book entry issuance in uncertificated form of the Acquireco Shares to which the holder is entitled and a cheque or cheques of Acquireco payable at par at any branch of the bankers of Acquireco representing the Dividend Amount, if any, and when received by the Transfer Agent, all dividends and other distributions with respect to such Acquireco Shares with a record date after the Liquidation Date and before the date of the transfer of such Acquireco Shares to such holder, less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement. If Acquireco does not exercise the Liquidation Call Right in the manner described above, on the Liquidation Date, the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the Liquidation Amount otherwise payable by Canco in connection with the liquidation, dissolution or winding-up of Canco or any distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs pursuant to Section 5 of the Exchangeable Share Provisions.

5.2 Acquireco Redemption Call Right.

In addition to Acquireco's rights contained in the Exchangeable Share Provisions, including the Retraction Call Right, Acquireco shall have the following rights in respect of the Exchangeable Shares:

- (a) Acquireco shall have the overriding right (the "**Redemption Call Right**"), notwithstanding the proposed redemption of the Exchangeable Shares by Canco pursuant to Section 7 of the Exchangeable Share Provisions, to purchase from all but not less than all of the holders of Exchangeable Shares (other than Acquireco or an affiliate of Acquireco) on the Redemption Date all but not less than all of the Exchangeable Shares held by each such holder on payment by Acquireco to each holder of an amount per Exchangeable Share (the "**Redemption Call Purchase Price**") equal to the Current Market Price of an Acquireco Share on the last business day prior to the Redemption Date plus the Dividend Amount, which amount per Exchangeable Share shall be satisfied in full by Acquireco delivering or causing to be delivered to such holder one Acquireco Share plus cash or a cheque in an amount equal to any Dividend Amount.
- (b) Acquireco may transfer and assign the Redemption Call Right to an Acquireco Affiliate. Where Acquireco so transfers and assigns the Redemption Call Right, for the purposes of this Section 5.2 of this Plan of Arrangement, references to Acquireco (excluding, for greater certainty, references to an Acquireco Share) shall mean such Acquireco Affiliate, as applicable.
- (c) In the event of the exercise of the Redemption Call Right by Acquireco, each holder shall be obligated to sell to Acquireco all the Exchangeable Shares held by such holder on the Redemption Date on payment to such holder by Acquireco of the Redemption Call

Purchase Price for each such share, and Canco shall have no obligation to redeem, or to pay any Dividend Amount in respect of, such shares so purchased by Acquireco.

- (d) To exercise the Redemption Call Right, Acquireco must notify the Transfer Agent, as agent for the holders of Exchangeable Shares, and Canco of Acquireco's intention to exercise such right at least 60 days before the Redemption Date, except in the case of a redemption occurring as a result of an Acquireco Control Transaction (as defined in the Exchangeable Share Provisions), an Exchangeable Share Voting Event (as defined in the Exchangeable Share Provisions) or an Exempt Exchangeable Share Voting Event (as defined in the Exchangeable Share Provisions), in which case Acquireco shall so notify the Transfer Agent and Canco on or before the Redemption Date. The Transfer Agent will notify the holders of the Exchangeable Shares as to whether or not Acquireco has exercised the Redemption Call Right forthwith after the expiry of the period during which the same may be exercised by Acquireco. If Acquireco exercises the Redemption Call Right, on the Redemption Date Acquireco will purchase and the holders will sell all of the Exchangeable Shares then outstanding for a price per share equal to the Redemption Call Purchase Price.
- (e) For the purposes of completing the purchase of the Exchangeable Shares pursuant to the Redemption Call Right, Acquireco shall deposit or cause to be deposited with the Transfer Agent, on or before the Redemption Date, the aggregate number of Acquireco Shares which Acquireco shall deliver pursuant to Section 5.2(a) of this Plan of Arrangement and a cheque or cheques of Acquireco payable at par at any branch of the bankers of Acquireco representing the aggregate Dividend Amount, if any, in payment of the aggregate Redemption Call Purchase Price, in each case less any amounts deducted or withheld pursuant to Section 4.6 of this Plan of Arrangement. Provided that Acquireco has complied with the immediately preceding sentence, on and after the Redemption Date the holders of the Exchangeable Shares shall cease to be holders of the Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive their proportionate part of the aggregate Redemption Call Purchase Price without interest, unless payment of the aggregate Redemption Call Purchase Price for the Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the following provisions of this Section 5.1(e) of this Plan of Arrangement, in which case the rights of the holders shall remain unaffected until the aggregate Redemption Call Purchase Price has been paid in the manner herein provided. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and articles of Canco and such additional documents, instruments and payments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Acquireco shall transfer to such holder, the Acquireco Shares to which such holder is entitled and as soon as reasonably practicable thereafter the Transfer Agent shall deliver to such holder of the Acquireco Shares to which the holder is entitled and a cheque or cheques of Acquireco payable at par at any branch of the bankers of Acquireco representing the Dividend Amount, if any, and when received by the Transfer Agent, all dividends and other distributions with respect to such Acquireco Shares with a record date after the Redemption Date and before the date of the transfer of such Acquireco Shares to such holder, less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement. If Acquireco does not exercise the Redemption Call Right in the manner described above, on the Redemption Date the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the redemption price otherwise payable by Canco in connection with the redemption of the Exchangeable Shares pursuant to Article 7 of the Exchangeable Share Provisions.

5.3 Change of Law Call Right.

- (a) Acquireco shall have the overriding right (the “**Change of Law Call Right**”), in the event of a Change of Law, to purchase from all but not less than all of the holders of Exchangeable Shares (other than any holder of Exchangeable Shares which is Acquireco or an affiliate of Acquireco) all but not less than all of the Exchangeable Shares held by each such holder upon payment by Acquireco of an amount per share (the “**Change of Law Call Purchase Price**”) equal to the Current Market Price of Acquireco Shares on the last business day prior to the Change of Law Call Date plus the Dividend Amount, which amount per share shall be satisfied in full by Acquireco delivering to such holder one Acquireco Share plus cash or a cheque in an amount equal to any Dividend Amount.
- (b) Acquireco may transfer and assign the Change of Law Call Right to an Acquireco Affiliate. Where Acquireco so transfers and assigns the Change of Law Call Right, for the purposes of this Section 5.3 of this Plan of Arrangement, references to Acquireco (excluding, for greater certainty, references to an Acquireco Share) shall mean such Acquireco Affiliate, as applicable.
- (c) In the event of the exercise of the Change of Law Call Right by Acquireco, each holder of Exchangeable Shares shall be obligated to sell all the Exchangeable Shares held by such holder to Acquireco on the Change of Law Call Date upon payment by Acquireco to such holder of the Change of Law Call Purchase Price for each such Exchangeable Share.
- (d) To exercise the Change of Law Call Right, Acquireco must notify the Transfer Agent of its intention to exercise such right at least 45 days before the date on which Acquireco intends to acquire the Exchangeable Shares (the “**Change of Law Call Date**”). If Acquireco exercises the Change of Law Call Right, then, on the Change of Law Call Date, Acquireco will purchase and the holders of Exchangeable Shares will sell all of the Exchangeable Shares then outstanding for a price per share equal to the Change of Law Call Purchase Price.
- (e) For the purposes of completing the purchase of the Exchangeable Shares pursuant to the exercise of the Change of Law Call Right, Acquireco shall deposit or cause to be deposited with the Transfer Agent, on or before the Change of Law Call Date, the aggregate number of Acquireco Shares which Acquireco shall deliver or cause to be delivered pursuant to Section 5.3(a) of this Plan of Arrangement and a cheque or cheques of Acquireco payable at par at any branch of the bankers of Acquireco representing the aggregate Dividend Amount, if any, in payment of the aggregate Change of Law Call Purchase Price, in each case less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement. Provided that Acquireco has complied with the immediately preceding sentence, on and after the Change of Law Call Date the holders of the Exchangeable Shares shall cease to be holders of the Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive their proportionate part of the total Change of Law Purchase Price payable by Acquireco, without interest, upon presentation and surrender by the holder of certificates representing the Exchangeable Shares held by such holder and the holder shall on and after the Change of Law Call Date be considered and deemed for all purposes to be the holder of Acquireco Shares to which such holder is entitled. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and articles of Canco and such additional documents, instruments and payments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Acquireco shall transfer to such

holder, the Acquireco Shares to which such holder is entitled and as soon as reasonably practicable thereafter the Transfer Agent shall deliver to such holder written evidence of the book entry issuance in uncertificated form of the Acquireco Shares to which the holder is entitled and a cheque or cheques of Acquireco payable at par at any branch of the bankers of Acquireco, representing the Dividend Amount, if any, and when received by the Transfer Agent, all dividends and other distributions with respect to such Acquireco Shares with a record date after the Redemption Date and before the date of the transfer of such Acquireco Shares to such holder, less any amounts withheld pursuant to Section 4.6 of this Plan of Arrangement.

6 AMENDMENT

6.1 Plan of Arrangement Amendment.

- (a) Target may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time (with the prior written consent of Acquireco), provided that any such amendment, modification and/or supplement must be contained in a written document that is filed with the Court and, if made after the Target Special Meeting, approved by the Court and communicated to Target Shareholders, Target Warranholders and Target Optionholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Target (with the prior written consent of Acquireco) at any time before or at the Special Meeting with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the Special Meeting in the manner required under the Interim Order, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Special Meeting shall be effective only if (i) it is consented to in writing by Target and Acquireco, (ii) it is filed with the Court, and, (iii) if required by the Court, it is consented to by Target Securityholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Acquireco, provided that it concerns a matter which, in the reasonable opinion of Acquireco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any Target Securityholders.

7 FURTHER ASSURANCES

Each of Target and Acquireco shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them to document or evidence any of the transactions or events set out in this Plan of Arrangement.

8 NOTICE

- (a) Any notice to be given by Acquireco to Target Shareholders, Target Warranholders or Target Optionholders pursuant to the Arrangement will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to registered Target Shareholders, Target Warranholders or Target Optionholders, as the case may be, at their addresses as shown on the applicable register of such holders maintained by Target and will be

deemed to have been received on the first day which is a business day following the date of mailing.

- (b) The provisions of this Plan of Arrangement, the Arrangement Agreement and the Letter of Transmittal and Election Form apply notwithstanding any accidental omission to give notice to any one or more Target Shareholders, Target Warranholders or Target Optionholders and notwithstanding any interruption of mail services in Canada or elsewhere following mailing. In the event of any interruption of mail service following mailing, Acquireco intends to make reasonable efforts to disseminate any notice by other means, such as publication. Except as otherwise required or permitted by law if post offices in Canada are not open for the deposit of mail, any notice which Acquireco or the Depositary may give or cause to be given under the Arrangement will be deemed to have been properly given and to have been received by Target Shareholders, Target Warranholders and Target Optionholders if (i) it is given to the TSX for dissemination or (ii) it is published once in the national edition of The Globe and Mail and in the daily newspapers of general circulation in each of the French and English languages in the City of Montreal, provided that if the national edition of The Globe and Mail is not being generally circulated, publication thereof will be made in The National Post or any other daily newspaper of general circulation published in the City of Toronto.

Notwithstanding the provisions of the Arrangement Agreement, this Plan of Arrangement and the Letter of Transmittal and Election Form, certificates, if any, for Acquireco Shares and Exchangeable Shares issuable, and cheques for cash amounts payable, pursuant to the Arrangement need not be mailed if Acquireco determines that delivery thereof by mail may be delayed. Persons entitled to cheques and certificates which are not mailed for the foregoing reason may take delivery thereof at the office of the Transfer Agent in respect of which the cheque and certificates being issued were deposited, upon application to the Transfer Agent, until such time as Acquireco has determined that delivery by mail will no longer be delayed. Acquireco will provide notice of any such determination not to mail made hereunder as soon as reasonably practicable after the making of such determination and in accordance with this Article 8 of this Plan of Arrangement. Notwithstanding the provisions of the Arrangement Agreement, this Plan of Arrangement and the Letter of Transmittal and Election Form, the deposit of cheques and certificates with the Transfer Agent in such circumstances will constitute delivery to the persons entitled thereto and the Acquireco Shares will be deemed to have been paid for immediately upon such deposit.

APPENDIX I

TO THE PLAN OF ARRANGEMENT

PROVISIONS ATTACHING TO THE EXCHANGEABLE SHARES

The Exchangeable Shares shall have the following rights, privileges, restrictions and conditions:

1. Interpretation

(1) For the purposes of these share provisions:

“Acquireco” means Mamba Minerals Limited ABN 34 119 770 142, a corporation incorporated under the laws of Australia.

“Acquireco Affiliate” means a direct or indirect wholly owned Subsidiary of Acquireco to which Acquireco has transferred and assigned the Liquidation Call Right, the Redemption Call Right or the Change of Law Call Right pursuant to Sections 5.1(b), 5.2(b) and 5.3(b) of the Plan of Arrangement, respectively, or the Retraction Call Right pursuant to Section 6(2) of the these share provisions, as applicable.

“Acquireco Call Notice” has the meaning ascribed thereto in Section 6(4) of these share provisions.

“Acquireco Control Transaction” means any merger, amalgamation, arrangement, take-over bid or tender offer, material sale of shares or rights or interests therein or thereto or similar transactions involving Acquireco, or any proposal to do so.

“Acquireco Dividend Declaration Date” means the date on which the board of directors of Acquireco declares any dividend or other distribution on the Acquireco Shares that would require a corresponding payment to be made in respect of the Exchangeable Shares.

“Acquireco Shares” means the fully paid ordinary shares of Acquireco.

“affiliate” has the meaning corresponding to **“affiliated companies”** in the *Securities Act* (Ontario), as amended.

“Agency” means any domestic or foreign court, tribunal, federal, state, provincial or local government or governmental agency, department or authority or other regulatory authority (including the TSX and the ASX) or administrative agency or commission (including the Securities Commissions and the Australian Securities & Investments Commission) or any elected or appointed public official.

“Agent” means any chartered bank or trust company in Canada selected by the Corporation for the purposes of holding some or all of the Liquidation Amount or Redemption Price in accordance with Section 5 or Section 7 hereof, respectively.

“Arrangement” means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the Plan of Arrangement or made at the direction of the Court with the consent of the parties, acting reasonably.

“Arrangement Agreement” means the arrangement agreement made as of December 5, 2013 between Target and Acquireco to which the Plan of Arrangement is attached.

“ASX” means the Australian Stock Exchange.

“Board of Directors” means the board of directors of the Corporation.

“business day” means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Toronto, Ontario or Perth, Western Australia, under applicable law.

“Canadian Dollar Equivalent” means in respect of an amount expressed in a currency other than Canadian dollars (the **“Foreign Currency Amount”**) at any date the product obtained by multiplying:

- (a) the Foreign Currency Amount; by
- (b) the noon spot exchange rate on the business day immediately preceding such date for such foreign currency expressed in Canadian dollars as reported by the Bank of Canada or, in the event such spot exchange rate is not available, such spot exchange rate on the business day immediately preceding such date for such foreign currency expressed in Canadian dollars as may be mutually agreed upon by Acquireco and Target to be appropriate for such purpose, which determination shall be conclusive and binding.

“Common Shares” means the common shares in the capital of the Corporation.

“Corporation” means ●, a corporation incorporated under the laws of Ontario pursuant to Articles of Incorporation in respect of which these share provisions form a part to create the Exchangeable Shares issuable pursuant to the Arrangement.

“Current Market Price” means, in respect of an Acquireco Share on any date, the quotient obtained by dividing (a) the aggregate of the Daily Value of Trades for each day during the period of 20 consecutive trading days ending three trading days before such date; by (b) the aggregate volume of Acquireco Shares used to calculate such Daily Value of Trades.

“Daily Value of Trades” means, in respect of the Acquireco Shares on any trading day, the product of (a) the volume weighted average price of Acquireco Shares on the TSX or the ASX where the largest volume of trading has taken place on such day (or, if the Acquireco Shares are not listed on the TSX or the ASX, the Canadian Dollar Equivalent of the volume weighted average price of Acquireco Shares on such other stock exchange or automated quotation system on which the Acquireco Shares are listed or quoted, as the case may be, as may be selected by the board of directors of Acquireco for such purpose) on such date, as determined by Bloomberg L.P. or other reputable, third party information source selected by the board of directors of Acquireco in good faith; and (b) the aggregate volume of Acquireco Shares traded on such day on the TSX, ASX or such other stock exchange or automated quotation system where the largest volume of trading has taken place on such day and used to calculate such volume weighted average price; provided that any such selections by the board of directors of Acquireco shall be conclusive and binding.

“Dividend Amount” means an amount equal to all declared and unpaid dividends on an Exchangeable Share held by a holder on any dividend record date which occurred prior to the date of purchase, redemption or other acquisition of such share by Acquireco from such holder pursuant to Section 5(1), Section 6(1) or Section 7(1) of these share provisions.

“Effective Date” has the meaning provided in the Plan of Arrangement.

“Exchangeable Shares” means the non-voting, exchangeable shares in the capital of the Corporation, having the rights, privileges, restrictions and conditions set forth herein.

“Exchangeable Share Voting Event” means any matter in respect of which holders of Exchangeable Shares are entitled to vote as shareholders of the Corporation and in respect of which the Board of Directors determines in good faith that after giving effect to such matter the economic equivalence of the Exchangeable Shares and the Acquireco Shares is maintained for the holders of Exchangeable Shares (other than Acquireco and its affiliates).

“Exempt Exchangeable Share Voting Event” means an Exchangeable Share Voting Event in order to approve or disapprove, as applicable, any change to, or in the rights of the holders of, the Exchangeable Shares, where the approval or disapproval, as applicable, of such change would be required to maintain the economic equivalence of the Exchangeable Shares and the Acquireco Shares.

“holder” means, when used with reference to the Exchangeable Shares, a holder of Exchangeable Shares shown from time to time in the register maintained by or on behalf of the Corporation in respect of the Exchangeable Shares.

“including” means “including without limitation” and **“includes”** means “includes without limitation”.

“ITA” means the *Income Tax Act* (Canada).

“Law” means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, published policies, notices, directions and judgments or other requirements of any Agency, in each case having the force of law.

“Liquidation Amount” has the meaning ascribed thereto in Section 5(1) of these share provisions.

“Liquidation Call Right” has the meaning ascribed thereto in the Plan of Arrangement.

“Liquidation Date” has the meaning ascribed thereto in Section 5(1) of these share provisions.

“OBCA” means the *Business Corporations Act* (Ontario), as amended.

“person” includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Agency, syndicate or other entity, whether or not having legal status.

“Plan of Arrangement” means the plan of arrangement substantially in the form and content of Schedule B annexed to the Arrangement Agreement, and any amendments or variations thereto made in accordance with Article 7 of the Arrangement Agreement or Article 6 of the Plan of Arrangement or made at the direction of the Court.

“Purchase Price” has the meaning ascribed thereto in Section 6(4) of these share provisions.

“Redemption Call Purchase Price” has the meaning ascribed thereto in the Plan of Arrangement.

“Redemption Call Right” has the meaning ascribed thereto in the Plan of Arrangement.

“Redemption Date” means the date, if any, established by the Board of Directors for the redemption by the Corporation of all but not less than all of the outstanding Exchangeable Shares pursuant to Section 7 of these share provisions, which date shall be no earlier in any event than

January 1, 2015 and thereafter no earlier than January 1, 2015 and thereafter no later than the third anniversary of the date on which Exchangeable Shares first are issued, unless:

- (a) there are fewer than 2,000,000, Exchangeable Shares outstanding (other than Exchangeable Shares held by Acquireco and its affiliates, as such number of shares may be adjusted as deemed appropriate by the Board of Directors to give effect to any subdivision or consolidation of or stock dividend on the Exchangeable Shares, any issue or distribution of rights to acquire Exchangeable Shares or securities exchangeable for or convertible into Exchangeable Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Exchangeable Shares), in which case the Board of Directors may accelerate such redemption date to such date prior to the third anniversary of the date on which Exchangeable Shares first are issued as they may determine, upon at least 60 days' prior written notice to the holders of the Exchangeable Shares and the Trustee;
- (b) an Acquireco Control Transaction occurs, in which case, provided that the Board of Directors determines, in good faith and in its sole discretion, that it is not reasonably practicable to substantially replicate the terms and conditions of the Exchangeable Shares in connection with such Acquireco Control Transaction and that the redemption of all but not less than all of the outstanding Exchangeable Shares is necessary to enable the completion of such Acquireco Control Transaction in accordance with its terms, the Board of Directors may accelerate such redemption date to such date prior to the third anniversary of the date on which Exchangeable Shares first are issued as it may determine, upon such number of days' prior written notice to the holders of the Exchangeable Shares and the Trustee as the Board of Directors may determine to be reasonably practicable in such circumstances;
- (c) an Exchangeable Share Voting Event that is not an Exempt Exchangeable Share Voting Event is proposed and (i) the holders of the Exchangeable Shares fail to take the necessary action, at a meeting or other vote of holders of Exchangeable Shares, to approve or disapprove, as applicable, the Exchangeable Share Voting Event or the holders of the Exchangeable Shares do take the necessary action but, in connection therewith, the holders of more than 2% of the outstanding Exchangeable Shares (other than those held by Acquireco and its affiliates) exercise rights of dissent under the OBCA, and (ii) the Board of Directors determines in good faith that it is not reasonably practicable to accomplish the business purpose (which business purpose must be *bona fide* and not for the primary purpose of causing the occurrence of the Redemption Date) intended by the Exchangeable Share Voting Event in a commercially reasonable manner that does not result in an Exchangeable Share Voting Event, in which case the Redemption Date shall be the business day following the day on which the later of the events described in (i) and (ii) above occurs; or
- (d) an Exempt Exchangeable Share Voting Event is proposed and holders of the Exchangeable Shares fail to take the necessary action at a meeting or other vote of holders of Exchangeable Shares to approve or disapprove, as applicable, the Exempt Exchangeable Share Voting Event in which case the Redemption Date shall be the business day following the day on which the holders of the Exchangeable Shares failed to take such action.

provided, however, that the accidental failure or omission to give any notice of redemption under clauses (a), (b), (c) or (d) above to any of the holders of Exchangeable Shares shall not affect the validity of any such redemption.

"Redemption Price" has the meaning ascribed thereto in Section 7(1) of these share provisions.

“Regulation S” means Regulation S promulgated under the U.S. Securities Act.

“Retracted Shares” has the meaning ascribed thereto in Section 6(1)(a) of these share provisions.

“Retraction Call Right” has the meaning ascribed thereto in Section 6(1)(c) of these share provisions.

“Retraction Date” has the meaning ascribed thereto in Section 6(1)(b) of these share provisions.

“Retraction Price” has the meaning ascribed thereto in Section 6(1) of these share provisions.

“Retraction Request” has the meaning ascribed thereto in Section 6(1) of these share provisions.

“Securities Act” means the *Securities Act* (Ontario) and the rules, regulations and policies made thereunder, as amended.

“Support Agreement” means the agreement made between Acquireco and the Corporation substantially in the form and content of Schedule H to the Arrangement Agreement.

“Transfer Agent” means Computershare Investor Services Inc. or such other person as may from time to time be appointed by the Corporation as the registrar and transfer agent for the Exchangeable Shares.

“Trustee” means the trustee chosen by Acquireco to act as trustee under the Voting and Exchange Trust Agreement, being a corporation organized and existing under the laws of Canada or any Province thereof and authorized to carry on the business of a trust company in all the provinces of Canada, and any successor trustee appointed under the Voting and Exchange Trust Agreement.

“TSX” means the Toronto Stock Exchange or any successor exchange.

“United States” means the United States as that term is defined in Regulation S.

“U.S. Person” means a U.S. Person as that term is defined in Regulation S.

“U.S. Securities Act” means the United States Securities Act of 1933, as amended.

“Voting and Exchange Trust Agreement” means an agreement to be made among Acquireco, the Corporation and the Trustee in connection with the Plan of Arrangement substantially in the form of Schedule I to the Arrangement Agreement.

2. Ranking of Exchangeable Shares

The Exchangeable Shares shall be entitled to a preference over the Common Shares and any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

3. Dividends

- (1) A holder of an Exchangeable Share shall be entitled to receive and the Board of Directors shall, subject to applicable law, on each Acquireco Dividend Declaration Date, declare a dividend on each Exchangeable Share:
 - (a) in the case of a cash dividend declared on the Acquireco Shares, in an amount in cash for each Exchangeable Share equal to the cash dividend declared on each Acquireco Share on the Acquireco Dividend Declaration Date;
 - (b) in the case of a stock dividend declared on the Acquireco Shares to be paid in Acquireco Shares, by the issue or transfer by the Corporation of such number of Exchangeable Shares for each Exchangeable Share as is equal to the number of Acquireco Shares to be paid on each Acquireco Share unless in lieu of such stock dividend the Corporation elects to effect a corresponding and contemporaneous and economically equivalent (as determined by the Board of Directors in accordance with Section 3(5) hereof) subdivision of the outstanding Exchangeable Shares; or
 - (c) in the case of a dividend declared on the Acquireco Shares in property other than cash or Acquireco Shares, in such type and amount of property for each Exchangeable Share as is the same as or economically equivalent (to be determined by the Board of Directors as contemplated by Section 3(5) hereof) to the type and amount of property declared as a dividend on each Acquireco Share.

Such dividends shall be paid out of money, assets or property of the Corporation properly applicable to the payment of dividends, or out of authorized but unissued shares of the Corporation, as applicable. The holders of Exchangeable Shares shall not be entitled to any dividends other than or in excess of the dividends referred to in this Section 3(1) of this Plan of Arrangement.

- (2) Cheques of the Corporation payable at par at any branch of the bankers of the Corporation shall be issued in respect of any cash dividends contemplated by Section 3(1)(a) hereof and the sending of such cheque to each holder of an Exchangeable Share shall satisfy the cash dividend represented thereby unless the cheque is not paid on presentation. Written evidence of the book entry issuance or transfer to the registered holder of Exchangeable Shares shall be delivered in respect of any stock dividends contemplated by Section 3(1)(b) hereof and the sending of such written evidence to each holder of an Exchangeable Share shall satisfy the stock dividend represented thereby. Such other type and amount of property in respect of any dividends contemplated by Section 3(1)(c) hereof shall be issued, distributed or transferred by the Corporation in such manner as it shall determine and the issuance, distribution or transfer thereof by the Corporation to each holder of an Exchangeable Share shall satisfy the dividend represented thereby. No holder of an Exchangeable Share shall be entitled to recover by action or other legal process against the Corporation any dividend that is represented by a cheque that has not been duly presented to the Corporation's bankers for payment or that otherwise remains unclaimed for a period of six years from the date on which such dividend was payable.
- (3) The record date for the determination of the holders of Exchangeable Shares entitled to receive payment of, and the payment date for, any dividend declared on the Exchangeable Shares under Section 3(1) hereof shall be the same dates as the record date and payment date, respectively, for the corresponding dividend declared on the Acquireco Shares. The record date for the determination of the holders of Exchangeable Shares entitled to receive Exchangeable Shares in connection with any subdivision, redivision or change of the Exchangeable Shares under Section 3(1)(b) hereof and the effective date of such subdivision shall be the same dates as the record and payment date, respectively, for the corresponding stock dividend declared on the Acquireco Shares.

- (4) If on any payment date for any dividends declared on the Exchangeable Shares under Section 3(1) hereof the dividends are not paid in full on all of the Exchangeable Shares then outstanding, any such dividends that remain unpaid shall be paid on a subsequent date or dates determined by the Board of Directors on which the Corporation shall have sufficient moneys, assets or property properly applicable to the payment of such dividends.
- (5) The Board of Directors shall determine, in good faith and in its sole discretion, economic equivalence for the purposes of these share provisions, including Section 3(1) hereof, and each such determination shall be conclusive and binding on the Corporation and its shareholders. In making each such determination, the following factors shall, without excluding other factors determined by the Board of Directors to be relevant, be considered by the Board of Directors:
- (a) in the case of any stock dividend or other distribution payable in Acquireco Shares, the number of such shares issued in proportion to the number of Acquireco Shares previously outstanding;
 - (b) in the case of the issuance or distribution of any rights, options or warrants to subscribe for or purchase Acquireco Shares (or securities exchangeable for or convertible into or carrying rights to acquire Acquireco Shares), the relationship between the exercise price of each such right, option or warrant and the Current Market Price;
 - (c) in the case of the issuance or distribution of any other form of property (including any shares or securities of Acquireco of any class other than Acquireco Shares, any rights, options or warrants other than those referred to in Section 3(5)(b) hereof, any evidences of indebtedness of Acquireco or any assets of Acquireco), the relationship between the fair market value (as determined by the Board of Directors in the manner above contemplated) of such property to be issued or distributed with respect to each outstanding Acquireco Share and the Current Market Price of a Acquireco Share; and
 - (d) in all such cases, the general taxation consequences of the relevant event to holders of Exchangeable Shares to the extent that such consequences may differ from the taxation consequences to holders of Acquireco Shares as a result of differences between taxation laws of Canada and Australia (except for any differing consequences arising as a result of differing withholding taxes and marginal taxation rates and without regard to the individual circumstances of holders of Exchangeable Shares).

4. Certain Restrictions

So long as any of the Exchangeable Shares are outstanding, the Corporation shall not at any time without, but may at any time with the approval of the holders of the Exchangeable Shares given as specified in Section 11(2) of these share provisions:

- (a) pay any dividends on the Common Shares or any other shares ranking junior to the Exchangeable Shares, other than stock dividends payable in Common Shares or any such other shares ranking junior to the Exchangeable Shares, as the case may be;
- (b) redeem or purchase or make any capital distribution in respect of Common Shares or any other shares ranking junior to the Exchangeable Shares;
- (c) redeem or purchase any other shares of the Corporation ranking equally with the Exchangeable Shares with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs;

- (d) except for a subdivision of Exchangeable Shares in accordance with Section 3(1)(b), issue any Exchangeable Shares or any other shares of the Corporation ranking equally with the Exchangeable Shares other than by way of stock dividends to the holders of such Exchangeable Shares; and
- (e) issue any shares of the Corporation ranking superior to the Exchangeable Shares.

The restrictions in Sections 4(a), (b), (c) and (d) hereof shall not apply if all dividends on the outstanding Exchangeable Shares corresponding to dividends declared and paid to date on the Acquireco Shares shall have been declared and paid on the Exchangeable Shares.

5. Distribution on Liquidation

- (1) In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the exercise by Acquireco or an Acquireco Affiliate as applicable of the Liquidation Call Right, a holder of Exchangeable Shares shall be entitled, subject to applicable law, to receive from the assets of the Corporation in respect of each Exchangeable Share held by such holder on the effective date (the "**Liquidation Date**") of such liquidation, dissolution, winding-up or other distribution, before any distribution of any part of the assets of the Corporation among the holders of the Common Shares or any other shares ranking junior to the Exchangeable Shares, an amount per share (the "**Liquidation Amount**") equal to the Current Market Price of an Acquireco Share on the last business day prior to the Liquidation Date plus the Dividend Amount, which shall be satisfied in full by the Corporation delivering or causing to be delivered to such holder one Acquireco Share plus cash or a cheque in an amount equal to the Dividend Amount.
- (2) On or promptly after the Liquidation Date, and provided the Liquidation Call Right has not been exercised by Acquireco or an Acquireco Affiliate, as applicable, the Corporation shall pay or cause to be paid to the holders of the Exchangeable Shares the Liquidation Amount for each such Exchangeable Share upon presentation and surrender of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and the Articles of the Corporation and such additional documents, instruments and payments as the Transfer Agent and the Corporation may reasonably require, at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of the Exchangeable Shares. Payment of the Liquidation Amount for such Exchangeable Shares shall be made by transferring or causing to be transferred to each holder the Acquireco Shares to which such holder is entitled and by delivering to such holder, on behalf of the Corporation, Acquireco Shares (which shares shall be fully paid and shall be free and clear of any lien, claim or encumbrance) and a cheque of the Corporation payable at par at any branch of the bankers of the Corporation in respect of the Dividend Amount for such Exchangeable Shares, in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom. On and after the Liquidation Date, the holders of the Exchangeable Shares shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive the Liquidation Amount without interest, unless payment of the total Liquidation Amount for such Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the Liquidation Amount has been paid in the manner hereinbefore provided. the Corporation shall have the right at any time after the Liquidation Date to transfer or cause to be issued or transferred to, and deposited with, the Agent the Liquidation Amount in respect of the Exchangeable Shares represented by certificates that have not at the Liquidation Date been surrendered by the holders thereof, such Liquidation Amount to be held by the Agent as trustee for and on behalf of, and for the use and benefit of, such holders. Upon such deposit being made, the rights of a holder of Exchangeable Shares after

such deposit shall be limited to receiving its proportionate part of the Liquidation Amount for such Exchangeable Shares so deposited, without interest, and when received by the Agent, all dividends and other distributions with respect to the Acquireco Shares to which such holder is entitled with a record date after the date of such deposit and before the date of transfer of such Acquireco Shares to such holder (in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom) against presentation and surrender of the certificates for the Exchangeable Shares held by them in accordance with the foregoing provisions.

- (3) After the Corporation has satisfied its obligations to pay the holders of the Exchangeable Shares the Liquidation Amount per Exchangeable Share pursuant to Section 5(1) of these share provisions, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

6. Retraction of Exchangeable Shares by Holder

- (1) Subject to the limitation set forth in the immediately following sentence, a holder of Exchangeable Shares shall be entitled at any time, subject to the exercise by Acquireco of the Retraction Call Right and otherwise upon compliance with, and subject to, the provisions of this Section 6, to require the Corporation to redeem any or all of the Exchangeable Shares registered in the name of such holder for an amount per share equal to the Current Market Price of a Acquireco Share on the last business day prior to the Retraction Date plus the Dividend Amount (the "**Retraction Price**"), which shall be satisfied in full by the Corporation delivering or causing to be delivered to such holder, for each Exchangeable Share presented and surrendered by the holder, one Acquireco Share (which on issue will be admitted to listing and trading by the TSX and the ASX (subject to official notice of issuance)) together with, on the designated payment date therefor, cash or a cheque in an amount equal to the Dividend Amount. Holders of Exchangeable Shares will not be entitled to exercise the foregoing right in the United States or by or on behalf of a U.S. Person unless an exemption from registration under the U.S. Securities Act and applicable states securities laws is available. To effect such redemption, the holder shall present and surrender at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of Exchangeable Shares the certificate or certificates representing the Exchangeable Shares which the holder desires to have the Corporation redeem, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and the Articles of the Corporation and such additional documents, instruments and payments as the Transfer Agent and the Corporation may reasonably require, and together with a duly executed statement (the "**Retraction Request**") in the form of Schedule A hereto or in such other form as may be acceptable to the Corporation:
 - (a) specifying that the holder desires to have all or any number specified therein of the Exchangeable Shares represented by such certificate or certificates (the "**Retracted Shares**") redeemed by the Corporation;
 - (b) stating the business day on which the holder desires to have the Corporation redeem the Retracted Shares (the "**Retraction Date**"), provided that the Retraction Date shall be not less than 10 business days nor more than 15 business days after the date on which the Retraction Request is received by the Corporation and further provided that, in the event that no such business day is specified by the holder in the Retraction Request, the Retraction Date shall be deemed to be the 15th business day after the date on which the Retraction Request is received by the Corporation and subject also to Section 6(9) hereof; and
 - (c) acknowledging the overriding right (the "**Retraction Call Right**") of Acquireco to purchase all but not less than all the Retracted Shares directly from the holder and that the Retraction Request shall be deemed to be a revocable offer by the holder to sell the

Retracted Shares to Acquireco in accordance with the Retraction Call Right on the terms and conditions set out in Section 6(4) hereof.

- (2) Acquireco may transfer and assign the Retraction Call Right to an Acquireco Affiliate. Where Acquireco so transfers and assigns the Retraction Call Right, for the purposes of this Section 6, references to Acquireco (excluding, for greater certainty, references to an Acquireco Share) shall mean an Acquireco Affiliate, as applicable.
- (3) Provided that Acquireco has not exercised the Retraction Call Right, upon receipt by the Corporation or the Transfer Agent in the manner specified in Section 6(1) hereof of a certificate or certificates representing the number of Retracted Shares, together with a Retraction Request, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6(8) hereof, the Corporation shall redeem the Retracted Shares effective at the close of business on the Retraction Date and shall transfer or cause to be issued or transferred to such holder the Acquireco Shares to which such holder is entitled and shall comply with Section 6(5) hereof. If only a part of the Exchangeable Shares represented by any certificate is redeemed (or purchased by Acquireco pursuant to the Retraction Call Right), a new certificate for the balance of such Exchangeable Shares shall be issued to the holder at the expense of the Corporation.
- (4) Subject to the provisions of this Section 6, upon receipt by the Corporation of a Retraction Request, the Corporation shall immediately notify Acquireco thereof and shall provide to Acquireco a copy of the Retraction Request. In order to exercise the Retraction Call Right, Acquireco must notify the Corporation of its determination to do so (the “**Acquireco Call Notice**”) within five business days of notification to Acquireco by the Corporation of the receipt by the Corporation of the Retraction Request. If Acquireco does not so notify the Corporation within such five business day period, the Corporation will notify the holder as soon as possible thereafter that Acquireco will not exercise the Retraction Call Right. If Acquireco delivers the Acquireco Call Notice within such five business day period, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6(8) hereof, the Retraction Request shall thereupon be considered only to be an offer by the holder to sell the Retracted Shares to Acquireco in accordance with the Retraction Call Right. In such event, the Corporation shall not redeem the Retracted Shares and Acquireco shall purchase from such holder and such holder shall sell to Acquireco on the Retraction Date the Retracted Shares for a purchase price (the “**Purchase Price**”) per share equal to the Retraction Price per share. To the extent that Acquireco pays the Dividend Amount in respect of the Retracted Shares, the Corporation shall no longer be obligated to pay any declared and unpaid dividends on such Retracted Shares. For the purpose of completing a purchase pursuant to the Retraction Call Right, on the Retraction Date, Acquireco shall transfer or cause to be issued or transferred to the holder of the Retracted Shares the Acquireco Shares to which such holder is entitled. Provided that Acquireco has complied with the immediately preceding sentence and Section 6(5) hereof, the closing of the purchase and sale of the Retracted Shares pursuant to the Retraction Call Right shall be deemed to have occurred as at the close of business on the Retraction Date and, for greater certainty, no redemption by the Corporation of such Retracted Shares shall take place on the Retraction Date. In the event that Acquireco does not deliver a Acquireco Call Notice within such five business day period, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6(8) hereof, the Corporation shall redeem the Retracted Shares on the Retraction Date and in the manner otherwise contemplated in this Section 6.
- (5) The Corporation or Acquireco, as the case may be, shall deliver or cause the Transfer Agent to deliver to the relevant holder written evidence of the book entry issuance in uncertificated form of Acquireco Shares (which shares shall be fully paid and shall be free and clear of any lien, claim or encumbrance and which on issue will be admitted to listing and trading by the TSX and the ASX (subject to official notice of issuance)), and, if applicable and on or before the payment date therefor, a cheque payable at par at any branch of the bankers of the Corporation or Acquireco, as applicable, representing the aggregate Dividend Amount, in payment of the Retraction Price or the Purchase Price, as the case may be, in each case less any amounts withheld on account of

tax required to be deducted and withheld therefrom, and such delivery of such Acquireco Shares and cheques on behalf of the Corporation or by Acquireco, as the case may be, or by the Transfer Agent shall be deemed to be payment of and shall satisfy and discharge all liability for the Retraction Price or Purchase Price, as the case may be, to the extent that the same is represented by such share certificates and cheques (plus any tax deducted and withheld therefrom and remitted to the proper tax authority).

- (6) On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive the Retraction Price or Purchase Price, as the case may be, without interest, unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the Retraction Price or the Purchase Price, as the case may be, shall not be made as provided in Section 6(5) hereof, in which case the rights of such holder shall remain unaffected until the Retraction Price or the Purchase Price, as the case may be, has been paid in the manner hereinbefore provided. On and after the close of business on the Retraction Date, provided that presentation and surrender of certificates and payment of the Retraction Price or the Purchase Price, as the case may be, has been made in accordance with the foregoing provisions, the holder of the Retracted Shares so redeemed by the Corporation or purchased by Acquireco shall thereafter be a holder of the Acquireco Shares delivered to it.
- (7) Notwithstanding any other provision of this Section 6, the Corporation shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law. If the Corporation believes that on any Retraction Date it would not be permitted by any of such provisions to redeem the Retracted Shares tendered for redemption on such date, and provided that Acquireco shall not have exercised the Retraction Call Right with respect to the Retracted Shares, the Corporation shall only be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent of the maximum number that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions and shall notify the holder and the Trustee at least two business days prior to the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Corporation. In any case in which the redemption by the Corporation of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law, the Corporation shall redeem Retracted Shares in accordance with Section 6(3) of these share provisions on a pro rata basis and shall issue to each holder of Retracted Shares a new certificate, at the expense of the Corporation, representing the Retracted Shares not redeemed by the Corporation pursuant to Section 6(3) hereof. If the Corporation would otherwise be obligated to redeem the Retracted Shares pursuant to Section 6(3) of these share provisions but is not obligated to do so as a result of solvency requirements or other provisions of applicable law, the holder of any such Retracted Shares not redeemed by the Corporation pursuant to this Article 6 as a result of solvency requirements or other provisions of applicable law shall be deemed by giving the Retraction Request to have instructed the Transfer Agent to require Acquireco to purchase such Retracted Shares from such holder on the Retraction Date or as soon as practicable thereafter on payment by Acquireco to such holder of the Purchase Price for each such Retracted Share, all as more specifically provided for in the Voting and Exchange Trust Agreement.
- (8) A holder of Retracted Shares may, by notice in writing given by the holder to the Corporation before the close of business on the business day immediately preceding the Retraction Date, withdraw its Retraction Request, in which event such Retraction Request shall be null and void and, for greater certainty, the revocable offer constituted by the Retraction Request to sell the Retracted Shares to Acquireco shall be deemed to have been revoked.

- (9) Notwithstanding any other provision of this Section 6, if:
- (a) exercise of the rights of the holders of the Exchangeable Shares, or any of them, to require the Corporation to redeem any Exchangeable Shares pursuant to this Section 6 on any Retraction Date would require listing particulars or any similar document to be issued in order to obtain the approval of the TSX and the ASX to the listing and trading (subject to official notice of issuance) of, the Acquireco Shares that would be required to be delivered to such holders of Exchangeable Shares in connection with the exercise of such rights; and
 - (b) as a result of (a) above, it would not be practicable (notwithstanding the reasonable endeavours of Acquireco) to obtain such approvals in time to enable all or any of such Acquireco Shares to be admitted to listing and trading by the ASX (subject to official notice of issuance) when so delivered, that Retraction Date shall, notwithstanding any other date specified or otherwise deemed to be specified in any relevant Retraction Request, be deemed for all purposes to be the earlier of (i) the second business day immediately following the date the approvals referred to in Section 6(9)(a) hereof are obtained, and (ii) the date which is 30 business days after the date on which the relevant Retraction Request is received by the Corporation, and references in these share provisions to such Retraction Date shall be construed accordingly.

7. Redemption of Exchangeable Shares by the Corporation

- (1) Subject to applicable law, and provided Acquireco or an Acquireco Affiliate as applicable has not exercised the Redemption Call Right, the Corporation shall on the Redemption Date redeem all but not less than all of the then outstanding Exchangeable Shares for an amount per share (the "**Redemption Price**") equal to the Current Market Price of a Acquireco Share on the last business day prior to the Redemption Date plus the Dividend Amount, which shall be satisfied in full by the Corporation causing to be delivered to each holder of Exchangeable Shares one Acquireco Share for each Exchangeable Share held by such holder, together with cash or a cheque in an amount equal to the Dividend Amount.
- (2) In any case of a redemption of Exchangeable Shares under this Section 7, the Corporation shall, at least 60 days before the Redemption Date (other than a Redemption Date established in connection with a Acquireco Control Transaction, an Exchangeable Share Voting Event or an Exempt Exchangeable Share Voting Event), send or cause to be sent to each holder of Exchangeable Shares a notice in writing of the redemption by the Corporation or the purchase by Acquireco under the Redemption Call Right, as the case may be, of the Exchangeable Shares held by such holder. In the case of a Redemption Date established in connection with a Acquireco Control Transaction, an Exchangeable Share Voting Event or an Exempt Exchangeable Share Voting Event, the written notice of the redemption by the Corporation or the purchase by Acquireco, or an Acquireco Affiliate as applicable, under the Redemption Call Right will be sent on or before the Redemption Date, on as many days prior written notice as may be determined by the Board of Directors to be reasonably practicable in the circumstances. In any such case, such notice shall set out the formula for determining the Redemption Price or the Redemption Call Purchase Price, as the case may be, the Redemption Date and, if applicable, particulars of the Redemption Call Right.
- (3) On or after the Redemption Date and provided that the Redemption Call Right has not been exercised by Acquireco or an Acquireco Affiliate as applicable, the Corporation shall pay or cause to be paid to the holders of the Exchangeable Shares to be redeemed the Redemption Price for each such Exchangeable Share, upon presentation and surrender at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation in such notice of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the OBCA and the Articles of the Corporation and such additional documents, instruments

and payments as the Transfer Agent and the Corporation may reasonably require. Payment of the Redemption Price for such Exchangeable Shares shall be made by transferring or causing to be issued or transferred to each holder the Acquireco Shares to which such holder is entitled and by delivering to such holder, on behalf of the Corporation, written evidence of the book entry issuance in uncertificated form of Acquireco Shares (which shares shall be fully paid and shall be free and clear of any lien, claim or encumbrance), and, if applicable, a cheque of the Corporation payable at par at any branch of the bankers of the Corporation in payment of the applicable Dividend Amount, in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom. On and after the Redemption Date, the holders of the Exchangeable Shares called for redemption shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive the Redemption Price without interest, unless payment of the Redemption Price for such Exchangeable Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the Redemption Price has been paid in the manner hereinbefore provided. The Corporation shall have the right at any time after the sending of notice of its intention to redeem the Exchangeable Shares as aforesaid to transfer or cause to be issued or transferred to, and deposited with, the Agent named in such notice the Redemption Price for the Exchangeable Shares so called for redemption, or of such of the said Exchangeable Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, less any amounts withheld on account of tax required to be deducted and withheld therefrom, such aggregate Redemption Price to be held by the Agent as trustee for and on behalf of, and for the use and benefit of, such holders. Upon the later of such deposit being made and the Redemption Date, the Exchangeable Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Redemption Date, as the case may be, shall be limited to receiving their proportionate part of the aggregate Redemption Price for such Exchangeable Shares, without interest, and when received by the Agent, all dividends and other distributions with respect to the Acquireco Shares to which such holder is entitled with a record date after the later of the date of such deposit and the Redemption Date and before the date of transfer of such Acquireco Shares to such holder (in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom), against presentation and surrender of the certificates for the Exchangeable Shares held by them in accordance with the foregoing provisions.

8. Voting Rights

Except as required by applicable law and by Section 12 hereof, the holders of the Exchangeable Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting. Without limiting the generality of the foregoing, the holders of the Exchangeable Shares shall not have class votes except as required by applicable law.

9. Specified Amount

For the purposes of the "specified amount" in subsection 191(4) of the ITA, the "specified amount" will be designated by a resolution of the directors of the Corporation at the time of the issue of the Exchangeable Shares and will not exceed the fair market value of the consideration received in exchange for such Exchangeable Shares.

10. Amendment and Approval

- (1) The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares may be added to, changed or removed only with the approval of the holders of the Exchangeable Shares given as hereinafter specified.

- (2) Any approval given by the holders of the Exchangeable Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Exchangeable Shares or any other matter requiring the approval or consent of the holders of the Exchangeable Shares in accordance with applicable law shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law, subject to a minimum requirement that such approval be evidenced by resolution passed by not less than two thirds of the votes cast on such resolution at a meeting of holders of Exchangeable Shares duly called and held at which the holders of at least 10% of the outstanding Exchangeable Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 10% of the outstanding Exchangeable Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than five days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Exchangeable Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Exchangeable Shares.

11. Reciprocal Changes, etc. in Respect of Acquireco Shares

- (1) Each holder of an Exchangeable Share acknowledges that the Support Agreement provides, in part, that so long as any Exchangeable Shares not owned by Acquireco or its affiliates are outstanding, Acquireco will not without the prior approval of the Corporation and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 10(2) of these share provisions:
- (a) issue or distribute Acquireco Shares (or securities exchangeable for or convertible into or carrying rights to acquire Acquireco Shares) to the holders of all or substantially all of the then outstanding Acquireco Shares by way of stock dividend or other distribution, other than an issue of Acquireco Shares (or securities exchangeable for or convertible into or carrying rights to acquire Acquireco Shares) to holders of Acquireco Shares (i) who exercise an option to receive dividends in Acquireco Shares (or securities exchangeable for or convertible into or carrying rights to acquire Acquireco Shares) in lieu receiving cash dividends, or (ii) pursuant to any dividend reinvestment plan or similar arrangement;
 - (b) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding Acquireco Shares entitling them to subscribe for or to purchase Acquireco Shares (or securities exchangeable for or convertible into or carrying rights to acquire Acquireco Shares); or
 - (c) issue or distribute to the holders of all or substantially all of the then outstanding Acquireco Shares:
 - (i) shares or securities of Acquireco (including evidence of indebtedness) of any class (other than Acquireco Shares or securities convertible into or exchangeable for or carrying rights to acquire Acquireco Shares);
 - (ii) rights, options or warrants other than those referred to in Section 11(1)(b) above;
 - (iii) evidence of indebtedness of Acquireco; or
 - (iv) assets of Acquireco,

unless the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets is issued or distributed simultaneously to holders of

the Exchangeable Shares and at least 7 days prior written notice thereof is given to the holders of Exchangeable Shares; provided that, for greater certainty, the above restrictions shall not apply to any securities issued or distributed by Acquireco in order to give effect to and to consummate, in furtherance of or otherwise in connection with the transactions contemplated by, and in accordance with, the Plan of Arrangement.

- (2) Each holder of an Exchangeable Share acknowledges that the Support Agreement further provides, in part, that so long as any Exchangeable Shares not owned by Acquireco or its affiliates are outstanding, Acquireco will not without the prior approval of the Corporation and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 10(2) of these share provisions:
- (a) subdivide, redivide or change the then outstanding Acquireco Shares into a greater number of Acquireco Shares;
 - (b) reduce, combine, consolidate or change the then outstanding Acquireco Shares into a lesser number of Acquireco Shares; or
 - (c) reclassify or otherwise change the Acquireco Shares or effect an amalgamation, merger, arrangement, reorganization or other transaction affecting the Acquireco Shares,

unless the same or an economically equivalent change shall simultaneously be made to, or in the rights of the holders of, the Exchangeable Shares and at least 7 days prior written notice is given to the holders of Exchangeable Shares. The Support Agreement further provides, in part, that the aforesaid provisions of the Support Agreement shall not be changed without the approval of the holders of the Exchangeable Shares given in accordance with Section 11(2) of these share provisions.

- (3) Notwithstanding the foregoing provisions of this Section 11, in the event of a Acquireco Control Transaction:
- (a) in which Acquireco merges or amalgamates with, or in which all or substantially all of the then outstanding Acquireco Shares are acquired by one or more other corporations to which Acquireco is, immediately before such merger, amalgamation or acquisition, related within the meaning of the ITA (otherwise than virtue of a right referred to in paragraph 251(5)(b) thereof);
 - (b) which does not result in an acceleration of the Redemption Date in accordance with paragraph (b) of the definition of Redemption Date in Section 1(1) of these provisions; and
 - (c) in which all or substantially all of the then outstanding Acquireco Shares are converted into or exchanged for shares or rights to receive such shares (the “**Other Shares**”) of another corporation (the “**Other Corporation**”) that, immediately after such Acquireco Control Transaction, owns or controls, directly or indirectly, Acquireco;

then all references herein to “Acquireco” shall thereafter be and be deemed to be references to “Other Corporation” and all references herein to “Acquireco Shares” shall thereafter be and be deemed to be references to “Other Shares” (with appropriate adjustments, if any, as are required to result in a holder of Exchangeable Shares on the exchange, redemption or retraction of shares pursuant to these share provisions or Article 5 of the Plan of Arrangement or exchange of shares pursuant to the Voting and Exchange Trust Agreement immediately subsequent to the Acquireco Control Transaction being entitled to receive that number of Other Shares equal to the number of Other Shares such holder of Exchangeable Shares would have received if the exchange, option or retraction of such shares pursuant to these share provisions or Article 5 of the Plan of Arrangement, or exchange of such shares pursuant to

the Voting and Exchange Trust Agreement had occurred immediately prior to the Acquireco Control Transaction and the Acquireco Control Transaction was completed) without any need to amend the terms and conditions of the Exchangeable Shares and without any further action required.

12. Actions by the Corporation under Support Agreement

- (1) The Corporation will take all such actions and do all such things as shall be necessary to perform and comply with and to ensure performance and compliance by Acquireco and the Corporation with all provisions of the Support Agreement applicable to Acquireco and the Corporation, respectively, in accordance with the terms thereof including taking all such actions and doing all such things as shall be necessary to enforce for the direct benefit of the Corporation all rights and benefits in favour of the Corporation under or pursuant to such agreement.
- (2) The Corporation shall not propose, agree to or otherwise give effect to any amendment to, or waiver or forgiveness of its rights or obligations under, the Support Agreement without the approval of the holders of the Exchangeable Shares given in accordance with Section 10(2) of these share provisions other than such amendments, waivers and/or forgiveness as may be necessary or advisable for the purposes of:
 - (a) adding to the covenants of the other parties to such agreement for the protection of the Corporation or the holders of the Exchangeable Shares thereunder;
 - (b) making such amendments or modifications not inconsistent with such agreement as may be necessary or desirable with respect to matters or questions arising thereunder which, in the good faith opinion of the Board of Directors, it may be expedient to make, provided that the Board of Directors shall be of the good faith opinion, after consultation with counsel, that such amendments and modifications will not be prejudicial to the interests of the holders of the Exchangeable Shares; or
 - (c) making such changes in or corrections to such agreement which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained therein, provided that the Board of Directors shall be of the good faith opinion that such changes or corrections will not be prejudicial to the rights or interests of the holders of the Exchangeable Shares.

13. Legend; Call Rights; Withholding Rights

- (1) The certificates evidencing the Exchangeable Shares shall contain or have affixed thereto a legend in form and on terms approved by the Board of Directors, with respect to the Support Agreement, the provisions of the Plan of Arrangement relating to the Liquidation Call Right, the Redemption Call Right and the Change of Law Call Right, the Voting and Exchange Trust Agreement (including the provisions with respect to the voting rights and automatic exchange thereunder) and the Retraction Call Right.
- (2) Each holder of an Exchangeable Share, whether of record or beneficial, by virtue of becoming and being such a holder shall be deemed to acknowledge each of the Liquidation Call Right, the Retraction Call Right and the Redemption Call Right, in each case, in favour of Acquireco or an Acquireco Affiliate, as applicable, and the Change of Law Call Right in favour of Acquireco or an Acquireco Affiliate, as applicable, and the overriding nature thereof in connection with the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, or the retraction or redemption of Exchangeable Shares, as the case may be, and to be bound thereby in favour of Acquireco or an Acquireco Affiliate, as applicable, as therein provided.

- (3) The Corporation, Acquireco or an Acquireco Affiliate, as applicable, and the Transfer Agent shall be entitled to deduct and withhold from any dividend, distribution or consideration otherwise payable to any holder of Exchangeable Shares such amounts as the Corporation, Acquireco or an Acquireco Affiliate, as applicable, or the Transfer Agent is required to deduct or withhold with respect to such payment under the ITA or any provision of provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Exchangeable Shares in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing Agency. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, the Corporation, Acquireco or an Acquireco Affiliate, as applicable, and the Transfer Agent are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to the Corporation, Acquireco or an Acquireco Affiliate, as applicable, or the Transfer Agent, as the case may be, to enable it to comply with such deduction or withholding requirement and the Corporation, Acquireco or the Transfer Agent shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

14. Notices

- (1) Any notice, request or other communication to be given to the Corporation by a holder of Exchangeable Shares shall be in writing and shall be valid and effective if given by first class mail (postage prepaid) or by telecopy or by delivery to the registered office of the Corporation and addressed to the attention of the Secretary of the Corporation. Any such notice, request or other communication, if given by mail, telecopy or delivery, shall only be deemed to have been given and received upon actual receipt thereof by the Corporation.
- (2) Any presentation and surrender by a holder of Exchangeable Shares to the Corporation or the Transfer Agent of certificates representing Exchangeable Shares in connection with the liquidation, dissolution or winding-up of the Corporation or the retraction or redemption of Exchangeable Shares shall be made by first class mail (postage prepaid) or by delivery to the registered office of the Corporation or to such office of the Transfer Agent as may be specified by the Corporation, in each case, addressed to the attention of the Secretary of the Corporation. Any such presentation and surrender of certificates shall only be deemed to have been made and to be effective upon actual receipt thereof by the Corporation or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by first class mail (postage prepaid) shall be at the sole risk of the holder mailing the same.
- (3) Any notice, request or other communication to be given to a holder of Exchangeable Shares by or on behalf of the Corporation shall be in writing and shall be valid and effective if given by first class mail (postage prepaid) or by delivery to the address of the holder recorded in the register of shareholders of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, shall be deemed to have been given and received on the date of mailing and, if given by delivery, shall be deemed to have been given and received on the date of delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Exchangeable Shares shall not invalidate or otherwise alter or affect any action or proceeding to be taken by the Corporation pursuant thereto.
- (4) In the event of any interruption of mail service immediately prior to a scheduled mailing or in the period following a mailing during which delivery normally would be expected to occur, the Corporation shall make reasonable efforts to disseminate any notice by other means, such as publication. Except as otherwise required or permitted by law, if post offices in Canada are not open for the deposit of mail, any notice which the Corporation or the Transfer Agent may give or cause to be given hereunder will be deemed to have been properly given and to have been

received by holders of Exchangeable Shares if it is published once in the national edition of The Globe and Mail and in the daily newspapers of general circulation in each of the French and English languages in the City of Montreal, provided that if the national edition of The Globe and Mail is not being generally circulated, publication thereof will be made in the National Post or any other daily newspaper of general circulation published in the City of Toronto.

Notwithstanding any other provisions of these share provisions, notices, other communications and deliveries need not be mailed if the Corporation determines that delivery thereof by mail may be delayed. Persons entitled to any deliveries (including certificates and cheques) which are not mailed for the foregoing reason may take delivery thereof at the office of the Transfer Agent to which the deliveries were made, upon application to the Transfer Agent, until such time as the Corporation has determined that delivery by mail will no longer be delayed. The Corporation will provide notice of any such determination not to mail made hereunder as soon as reasonably practicable after the making of such determination and in accordance with this Section 14(4). Such deliveries in such circumstances will constitute delivery to the persons entitled thereto.

15. Disclosure of Interests in Exchangeable Shares

The Corporation shall be entitled to require any holder of an Exchangeable Share or any person who the Corporation knows or has reasonable cause to believe holds any interest whatsoever in an Exchangeable Share to confirm that fact or to give such details as to whom has an interest in such Exchangeable Share as would be required (if the Exchangeable Shares were a class of "equity shares" of the Corporation) under Section 102.1 of the *Securities Act* or as would be required under the constitution of Acquireco or any laws or regulations, or pursuant to the rules or regulations of any regulatory Agency, if the Exchangeable Shares were Acquireco Shares.

SCHEDULE A
TO APPENDIX I
RETRACTION REQUEST

[TO BE PRINTED ON EXCHANGEABLE SHARE CERTIFICATES]

To: ● (the “**Corporation**”) and Mamba Minerals Limited (“**Acquireco**”)

This notice is given pursuant to Section 6 of the provisions (the “**Share Provisions**”) attaching to the Exchangeable Shares of the Corporation represented by this certificate and all capitalized words and expressions used in this notice that are defined in the Share Provisions have the meanings ascribed to such words and expressions in such Share Provisions.

The undersigned hereby notifies the Corporation that, subject to the Retraction Call Right referred to below, the undersigned desires to have the Corporation redeem in accordance with Section 6 of the Share Provisions:

all share (s) represented by this certificate; or

_____ share (s) only represented by this certificate.

The undersigned hereby notifies the Corporation that the Retraction Date shall be _____.

NOTE: The Retraction Date must be a business day and must not be less than 10 business days nor more than 15 business days after the date upon which this notice is received by the Corporation. If no such business day is specified above, the Retraction Date shall be deemed to be the 15th business day after the date on which this notice is received by the Corporation.

The undersigned represents and warrants to the Corporation, Acquireco and an Acquireco Affiliate, if applicable, that the undersigned is not a U.S. Person, nor is the undersigned giving this notice on behalf of a U.S. Person, and the undersigned is not executing and delivering this Notice in the United States. If the undersigned is unable to provide such representation and warranty, the holder will be given a special Retraction Request Form applicable in those circumstances in a form provided by the Corporation and Acquireco, in form and substance acceptable to the Corporation and Acquireco, and the holder will only be permitted to exercise the retraction right and give such notice if the holder provides an opinion of counsel addressed to the Corporation and Acquireco, in form and substance reasonably acceptable to the Corporation, Acquireco and an Acquireco Affiliate, if applicable, to the effect that the exercise of the retraction right and exchange of the Exchangeable Shares for Acquireco Shares are exempt from registration under the U.S. Securities Act and applicable state securities laws.

The undersigned acknowledges the overriding Retraction Call Right of Acquireco or an Acquireco Affiliate, as applicable, to purchase all but not less than all the Retracted Shares from the undersigned and that this notice is and shall be deemed to be a revocable offer by the undersigned to sell the Retracted Shares to Acquireco or an Acquireco Affiliate, as applicable, in accordance with the Retraction Call Right on the Retraction Date for the Purchase Price and on the other terms and conditions set out in Section 6(4) of the Share Provisions. This Retraction Request, and this offer to sell the Retracted Shares to Acquireco or an Acquireco Affiliate, as applicable, may be revoked and withdrawn by the undersigned only by notice in writing given to the Corporation at any time before the close of business on the business day immediately preceding the Retraction Date.

The undersigned acknowledges that if, as a result of solvency provisions of applicable law, the Corporation is unable to redeem all Retracted Shares, and provided that Acquireco or an Acquireco

Affiliate, as applicable, has not exercised the Retraction Call Right with respect to the Retracted Shares, the Retracted Shares will be automatically exchanged pursuant to the Voting and Exchange Trust Agreement so as to require Acquireco or an Acquireco Affiliate to purchase the unredeemed Retracted Shares.

The undersigned hereby represents and warrants to Acquireco or an Acquireco Affiliate, as applicable, and the Corporation that the undersigned (select one):

is _____

is not _____

a non-resident of Canada for purposes of the *Income Tax Act* (Canada). **The undersigned acknowledges that in the absence of an indication that the undersigned is not a non-resident of Canada, withholding on account of Canadian tax may be made from amounts payable to the undersigned on the redemption or purchase of the Retracted Shares.**

The undersigned hereby represents and warrants to Acquireco or an Acquireco Affiliate, as applicable, and the Corporation that the undersigned has good title to, and owns, the share(s) represented by this certificate to be acquired by Acquireco, an Acquireco Affiliate or the Corporation, as the case may be, free and clear of all liens, claims and encumbrances.

(Date)

(Signature of Shareholder)

(Guarantee of Signature) E-60

Please check box if the certificates for Acquireco Shares and any cheque(s) resulting from the retraction or purchase of the Retracted Shares are to be held for pick-up by the shareholder from the Transfer Agent, failing which such certificates and cheque(s) will be mailed to the last address of the shareholder as it appears on the register.

NOTE: This panel must be completed and this certificate, together with such additional documents and payments (including, without limitation, any applicable Stamp Taxes) as the Transfer Agent may require, must be deposited with the Transfer Agent. The securities and any cheque(s) resulting from the retraction or purchase of the Retracted Shares will be issued and registered in, and made payable to, respectively, the name of the shareholder as it appears on the register of the Corporation and the certificates for Acquireco Shares and any cheque(s) resulting from such retraction or purchase will be delivered to such shareholder as indicated above, unless the form appearing immediately below is duly completed.

Date: _____

Name of Person in Whose Name Securities or Cheque(s)
Are to be Registered, Issued or Delivered (please print):

Street Address or P.O. Box: _____

Signature of Shareholder: _____

City, Province and Postal Code: _____

Signature Guaranteed by: _____

NOTE: If this Retraction Request is for less than all of the shares represented by this certificate, a certificate representing the remaining share(s) of the Corporation represented by this certificate will be issued and registered in the name of the shareholder as it appears on the register of the Corporation, unless the Share Transfer Power on the share certificate is duly completed in respect of such share(s).

SCHEDULE C

MUTUAL CONDITIONS

The respective obligations of Target, Acquireco and Canco to complete the Arrangement shall be subject to the satisfaction, on or before the Outside Date, of the following conditions, each of which may be waived, in whole or in part, only by the written mutual consent of Target and Acquireco (for itself and on behalf of Canco):

- (a) Target Securityholder Approval shall have been obtained at the Target Special Meeting in accordance with the Interim Order;
- (b) the Interim Order and the Final Order shall each have been obtained on terms consistent with this Agreement, and shall not have been set aside or modified in a manner unacceptable to Target and Acquireco, acting reasonably, on appeal or otherwise;
- (c) Acquireco Shareholder Approval shall have been obtained at the Acquireco Special Meeting;
- (d) all waivers, consents, permits, orders and approvals of any Agency (including any Regulatory Approvals), and the expiry of any waiting periods (whether regulatory or contractual), the failure of which to obtain or receive, or the non-expiry of which, would or would reasonably be expected to be Materially Adverse to Target or Acquireco and their respective Subsidiaries, in each case taken as a whole, shall have been obtained, or received or shall have expired, as the case may be, and such waivers, consents, permits, orders and approvals shall be on terms that are not Materially Adverse to Target or Acquireco and their respective Subsidiaries, in each case taken as a whole;
- (e) the Acquireco Shares, issuable (i) to the Target Shareholders pursuant to the Arrangement, (ii) pursuant to the rights attached to the Exchangeable Shares, (iii) pursuant to the terms and conditions of the Acquireco Options, and (iv) pursuant to the terms and conditions of the Target Warrants shall have been approved for listing on the ASX, subject to official notice of issuance, and subject to fulfilling listing requirements;
- (f) there shall not be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Target or Acquireco from consummating the Arrangement and such applicable Law (if applicable) continues to be in effect through the Outside Date;
- (g) this Agreement shall not have been terminated in accordance with its terms;
- (h) the distribution of the Acquireco Shares and the Exchangeable Shares pursuant to the Arrangement (including those Acquireco Shares distributable pursuant to the rights attached to the Exchangeable Shares, the Acquireco Options and the Target Warrants) shall be exempt from the prospectus requirements of applicable Law either by virtue of exemptive relief from the applicable securities regulatory authorities or by virtue of applicable exemptions under applicable Law and the first trade thereof shall not be subject to resale restrictions under applicable Law;
- (i) Acquireco shall have obtained all shareholder approvals required from shareholders of Acquireco pursuant to the Corporations Act 2001 and the Listing Rules of the ASX (including, but not limited, Acquireco Shareholder Approval); and
- (j) the existing Employment Agreements shall have been amended and restated prior to the Effective Date in accordance with Schedule 2.1 of the Target Disclosure Statement.

SCHEDULE D

CONDITIONS IN FAVOUR OF TARGET

The obligations of Target to complete the Transactions shall also be subject to the satisfaction, on or before the Outside Date, of the following conditions, each of which is for the exclusive benefit of Target and may be waived, in whole or in part, by Target in its sole discretion:

- (a) Acquireco shall not have failed to perform any of its obligations to be performed by it under this Agreement nor shall Canco have failed to perform any of its obligations arising in respect of the Transactions, on or prior to the Effective Time or, in the event of any failure, such failure is not Materially Adverse to Acquireco and its Subsidiaries, taken as a whole;
- (b) the representations and warranties of Acquireco under this Agreement shall be true and correct in all respects except where the failure of such representations and warranties to be true and correct would not reasonably be expected to be Materially Adverse to Acquireco and its Subsidiaries, taken as a whole, (provided that the representations and warranties of Acquireco in paragraph (s) of Schedule G shall be true and correct in all respects) and Target shall have received a certificate of Acquireco addressed to Target and dated the Effective Date, signed on behalf of Acquireco by a senior officer of Acquireco (on Acquireco's behalf and without personal liability) confirming the same as at the Effective Date;
- (c) there shall not have occurred, since the date of this Agreement, any event, change, effect or development that individually or in the aggregate, has had a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole;
- (d) at the Effective Time, Canco will be a "taxable Canadian corporation" within the meaning of the ITA;
- (e) the Acquireco Supporting Shareholders (or any one of them) shall not have breached any of the representations, warranties, covenants or other agreements contained in any of the Acquireco Voting Support Agreements;
- (f) prior to the Effective Time, Acquireco shall have made an offer to the holders of the Performance Shares to convert every 10 Performance Shares into one Acquireco Share and at least 77% of such Performance Shares shall have been tendered to the offer and shall have been so converted;
- (g) prior to the Effective Time, Acquireco will have completed all necessary filings and shall have provided satisfactory evidence thereof to Target in order to (i) amend the composition of the board of directors of Acquireco such that the board will consist of eight (8) directors, of which five (5) will be nominees of Target and of which three (3) will be nominees of Acquireco, and (ii) appoint Thomas Larsen as Chief Executive Officer of Acquireco;
- (h) prior to the Effective Time, Acquireco shall have received conditional listing approval from the TSX in respect of the listing of Acquireco Shares (including those Acquireco Shares distributable pursuant to the rights attached to the Exchangeable Shares, the Acquireco Options and the Target Warrants) on the TSX commencing on the Effective Date; and

- (i) prior to the Effective Date, in connection with the Concurrent Financing, Acquireco shall have received executed irrevocable subscriptions with subscription funds fully paid into trust (it being acknowledged that such irrevocable subscriptions may be conditional on the effectiveness of the Arrangement) for Acquireco Shares totalling at least A\$10 million (or such greater amount as may be agreed to by Target and Acquireco) at a subscription price of no less than A\$0.50 per share from institutional and other investors, which investors and their subscription amounts shall be acceptable to Target and Acquireco, each acting reasonably.

SCHEDULE E

CONDITIONS IN FAVOUR OF ACQUIRECO

The obligations of Acquireco to complete the Transactions shall also be subject to the satisfaction of the following conditions, each of which is for the exclusive benefit of Acquireco and may be waived, in whole or in part, by Acquireco in its sole discretion:

- (a) Target shall not have failed to perform any of the obligations to be performed by it under this Agreement on or prior to the Effective Date or, in the event of any failure, such failure is not Materially Adverse to Target;
- (b) the representations and warranties of Target under this Agreement shall be true and correct in all respects except where the failure of such representations and warranties to be true and correct would not reasonably be expected to be Materially Adverse to Target, and Acquireco shall have received a certificate of Target addressed to Acquireco and dated the Effective Date, signed on behalf of Target by a senior officer of Target (on Target's behalf and without personal liability) confirming the same as at the Effective Date;
- (c) there shall not have been delivered and not withdrawn notices of dissent with respect to the Arrangement in respect of more than 5% of the Target Shares;
- (d) prior to the Effective Date, Target shall have repaid in full any and all debt owed by Target under the convertible note in favour of, and all fees owed to, McCarthy Tétrault LLP, including any unpaid portion of the principal amount and interest owing thereunder, and shall have received from McCarthy Tétrault an acknowledgment and release that fully releases and forever discharges Target of any and all obligations arising in respect of such convertible note and fees and any and all engagement letters and related arrangements;
- (e) the Target Supporting Shareholders (or any one of them) shall not have breached any of the representations, warranties, covenants or other agreements contained in any of the Target Voting Support Agreements; and
- (f) there shall not have occurred, since the date of this Agreement, any event, change, effect or development that individually or in the aggregate, has had a Materially Adverse effect on Target.

SCHEDULE F

REPRESENTATIONS AND WARRANTIES OF TARGET

Target represents and warrants to Acquireco as follows (and acknowledges that Acquireco is relying on such representations and warranties in entering into this Agreement and completing the Transactions):

- (a) Organization, Standing and Corporate Power. Target is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite power and authority to own its assets and conduct its business as currently owned and conducted. Target is duly qualified or licensed to conduct the business it conducts and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary. Target has made available for review by Acquireco complete and correct copies of its constating documents, in each case as amended to the date of this Agreement. Target is not in violation of any provision of its constating documents.
- (b) Target Subsidiaries. Target has no Subsidiaries. Except for the ownership interests set forth in Schedule (b) of the Target Disclosure Statement, Target does not own, directly or indirectly, any capital stock or other ownership interest.
- (c) Capitalization. The authorized capital (the “**Authorized Capital**”) and issued capital of Target is as set out in the recitals to this Agreement. Except as set forth above, there are no shares of capital stock or other voting securities of Target issued, reserved for issuance or outstanding. Except as set forth in Schedule (c) of the Target Disclosure Statement, there are not any bonds, debentures, notes or other indebtedness of Target having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which shareholders of Target must vote. Except as set forth above and except as set forth in Schedule (c) of the Target Disclosure Statement, as of the date of this Agreement, there are not any options, warrants, puts, calls, rights, commitments, agreements, arrangements or undertakings of any kind (collectively, “**Options**”) to which Target is a party or by which it is bound relating to the issued or unissued shares of Target, or obligating Target to issue, transfer, grant, sell or pay for or repurchase any shares or other equity interests in, or securities convertible or exchangeable for any shares or other equity interests in, Target or obligating Target to issue, grant, extend or enter into any such Options. All shares of Target that are subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instrument pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and non-assessable. The issuance and sale of all of the shares described in this Section (c) of Schedule F have been in compliance with all Laws. Target has previously provided Acquireco with a schedule setting forth the names of, and the number of shares of each class (including the number of shares issuable upon exercise of Target Options and the exercise price and vesting schedule with respect thereto) and the number of options held by, all holders of Target Options. Schedule (c) of the Target Disclosure Statement sets forth the average exercise price for outstanding Target Options. Target has not agreed to register any securities under any securities Laws or granted registration rights to any person or entity. There are not any outstanding contractual obligations or other requirements of Target to repurchase, redeem or otherwise acquire any shares of capital stock of Target, or provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in any other person. Without limiting the generality of the foregoing, there are no stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or any other attribute of Target. Except as set forth in Schedule

(c) of the Target Disclosure Statement, Target is not party to any shareholder, pooling, voting or other similar agreement relating to the issued and outstanding shares in the capital of Target.

(d) Authority; Non-Contravention.

(i) Target has all requisite corporate power and corporate authority to enter into this Agreement and, subject to Target Securityholder Approval, to consummate the Transactions and to perform its obligations under this Agreement. The execution and delivery of this Agreement by Target and the consummation by Target of the Transactions have been duly authorized by all necessary corporate action on the part of Target, subject to the Target Securityholder Approval. No other corporate proceedings on the part of Target are necessary to authorize this Agreement, the performance by Target of its obligations under this Agreement and, subject to the Target Securityholder Approval, the Transactions. This Agreement has been duly executed and delivered by Target and constitutes a valid and binding obligation of Target, enforceable by Acquireco against Target in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered. The execution and delivery of this Agreement does not, and the consummation of the Transactions and compliance with the provisions of this Agreement will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of first refusal, consent, termination, buyback, purchase, cancellation or acceleration of any obligation or to loss of any property, rights or benefits under, or result in the imposition of any additional obligation under, or result in the creation of any Lien upon any of the properties or assets of Target under, (i) the constating documents of Target; (ii) any contract, royalty, instrument, permit, concession, franchise, license, loan or credit agreement, note, bond, mortgage, indenture, lease or other property agreement, partnership or joint venture agreement or other legally binding agreement, arrangement or understanding whether oral or written (a "**Contract**"), to which Target is a party or by which its properties or assets is bound or affected, or (iii) subject to the governmental filings and other matters referred to in the following sentence, any Law applicable to Target or its properties or assets except for such conflicts, violations, defaults, terminations, cancellations, accelerations, impositions, creations of liens, rights of first refusal, or any consents which, if not given or received, would not individually or in the aggregate, reasonably be expected to be Materially Adverse to Target. No consent, approval, order or authorization of, or registration, declaration or filing with, any Agency, is required by or with respect to Target in connection with the execution and delivery of this Agreement by Target or the consummation by Target of the Transactions, except for (i) the filing of the Target Circular with the applicable securities regulatory Agencies, (ii) any approvals required by the Interim Order and the Final Order, (iii) filings with the Director under the OBCA and (iv) such other consents, approvals, orders, authorizations, registrations, declarations and filings as are set forth in Schedule (d) of the Target Disclosure Statement.

(ii) To the knowledge of Target, Target is and has been in material compliance with all applicable Environmental Laws, except to the extent that a failure to be in such compliance would not be reasonably likely to be Materially Adverse to Target.

(iii) The properties held by Target have not been used to generate, manufacture, refine, treat, recycle, transport, store, handle, dispose, transfer, produce or

process Hazardous Substances, except in compliance in all material respects with all Environmental Laws. To the knowledge of Target, none of Target or any other person in control of any properties held by Target has caused or permitted the Release of any Hazardous Substances at, in, on, under or from any properties held by Target, except in compliance with all Environmental Laws, except to the extent that a failure to be in such compliance would not be reasonably likely to have a Materially Adverse effect on Target. All Hazardous Substances handled, recycled, disposed of, treated or stored on or off site of the properties held by Target have been handled, recycled, disposed of, treated and stored in material compliance with all Environmental Laws except to the extent that a failure to be in such compliance would not be reasonably likely to have a Materially Adverse effect on Target. To the knowledge of Target, there are no Hazardous Substances at, in, on, under or migrating from properties held by Target, except in material compliance with all Environmental Laws.

- (iv) To the knowledge of Target, none of Target or any other person for whose actions Target may be partially or wholly liable, has treated or disposed, or arranged for the treatment or disposal, of any Hazardous Substances at any location: (i) listed on any list of hazardous sites or sites requiring Remedial Action issued by any Governmental Entity; (ii) proposed for listing on any list issued by any Governmental Entity of hazardous sites or sites requiring Remedial Action, or any similar federal, state or provincial lists; or (iii) the subject of enforcement actions by any Governmental Entity that creates the reasonable potential for any proceeding, action or other claim against Target. No site or facility now or, to the knowledge of Target, previously owned, operated or leased by Target is listed or, to the knowledge of Target, proposed for listing on any list issued by any Governmental Entity of hazardous sites or sites requiring Remedial Action or is the subject of Remedial Action.
- (v) To the knowledge of Target, none of Target or any other person for whose actions Target may be partially or wholly liable has caused or permitted the Release of any Hazardous Substances on or to any of the properties owned, leased or operated by Target in such a manner as: (i) would be reasonably likely to impose Liability for cleanup, natural resource damages, loss of life, personal injury, nuisance or damage to other property, except to the extent that such Liability would not have a Materially Adverse effect on Target; or (ii) would be reasonably likely to result in imposition of a lien, charge or other encumbrance or the expropriation of any of the properties owned, leased or operated by Target.
- (vi) To the knowledge of Target, none of the properties of Target has or is required to have any deed notices or restrictions, institutional controls, covenants that run with the land or other restrictive covenants or notices arising under any Environmental Laws.
- (vii) To the knowledge of Target, Target has not received any notice, formal or informal, of any proceeding, action or other claim, Liability or potential Liability arising under any Environmental Laws, from any person related to any of the properties owned, leased or operated by Target that is pending as of the date hereof.
- (viii) Except as set forth in Schedule (d) of the Target Disclosure Statement, (i) Target has good and valid recorded interest in its mineral exploration claims (other than property as to which Target is a lessee, in which case it has a valid leasehold interest) (the "**Properties**") and all such Properties are in good standing with the relevant Agency, except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Materially Adverse effect

on Target, (ii) all such Properties are validly held by Target, and Target has complied in all respects with all terms and conditions thereof, (iii) none of such Properties will be subject to suspension, modification, revocation or non-renewal as a result of the execution and delivery of this Agreement or the consummation of the Transactions, (iv) since December 31, 2012, Target has not received any written notice, notice of violation or probable violation, notice of revocation, or other written communication from or on behalf of any Agency, alleging (A) any violation of such Property, or (B) that Target requires any Property required for its business as such business is currently conducted, that is not currently held by it, and (v) furthermore, all real and tangible personal property of Target is in generally good repair and is operational and usable in the manner in which it is currently being utilized, subject to normal wear and tear and technical obsolescence, repair or replacement.

- (ix) The mineral resource and mineral reserve statements of Target as set forth in the report entitled "Consolidated Fire Lake North Project: the technical report titled "Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project, Fermont Area, Québec, Canada", dated February 22, 2013 (effective January 25, 2013)" was, to the knowledge of Target, prepared in accordance with accepted engineering practices and was, at such date, in compliance in all material respects with the requirements applicable to the presentation of mineral resource statements in accordance with National Instrument 43-101.
- (x) Target possesses all certificates, franchises, licenses, permits, grants, easements, covenants, certificates, orders, authorizations and approvals issued to or granted by Agencies or other third parties (collectively, "**Permits**") that are material and necessary to conduct its business as such business is currently conducted or is expected to be conducted following completion of the Transaction, except where the failure to possess such Permits would not be Materially Adverse to Target. All such Permits are validly held by Target and Target has complied in all material respects with all terms and conditions thereof. None of such Permits will be subject to suspension, modification, revocation or non-renewal as a result of the execution and delivery of this Agreement or the consummation of the Transactions. Since December 31, 2012, Target has not received any written notice, notice of violation or probable violation, notice of revocation, or other written communication from or on behalf of any Agency, alleging (A) any violation of such Permit, or (B) that Target requires any Permit required for its business as such business is currently conducted, that is not currently held by it.
- (e) Publicly Filed Documents; Undisclosed Liabilities. Target has filed, or has had filed or disclosed on its behalf, all required reports, schedules, forms, statements and other documents (including documents incorporated by reference) with the applicable security regulatory Agencies since December 31, 2012 (the "**Target Public Disclosure Documents**") except where the failure to make such a filing would not be Materially Adverse. As of its date, each Target Public Disclosure Document complied in all material respects with the requirements of all applicable securities Law. None of the Target Public Disclosure Documents, as of their respective dates, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent that such statements have been modified or superseded by a later-filed Target Public Disclosure Document. The financial statements of Target included in the Target Public Disclosure Documents comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the applicable securities regulatory Agencies with respect

thereto, have been prepared in accordance with IFRS, during the periods involved (except as may be indicated in such financial statements and the notes thereto or, in the case of audited statements in the related report of Target's independent auditors; or in the case of unaudited interim statements and subject to normal period end adjustments and may omit notes which are not required by applicable Laws in the unaudited statements) and fairly present the financial position of Target as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except (i) as and to the extent disclosed, reflected or reserved against on the balance sheet or the notes thereto of Target included in the Filed Target Public Disclosure Documents, as incurred after the date thereof in the ordinary course of business consistent with past practice and prohibited by this Agreement or (ii) as set forth in Schedule (e) of the Target Disclosure Statement, Target does not have any liabilities or obligations of any nature, whether known or unknown, absolute, accrued, contingent or otherwise and whether due or to become due, that, individually or in the aggregate, have had or would reasonably be expected to have a Materially Adverse effect on Target.

- (f) Information Supplied. None of the information supplied or to be supplied by Target for inclusion or incorporation by reference in the Target Circular or any other filings relating to the Transactions will, at the date the Target Circular is first mailed to Target Securityholders, or at the time of the Target Special Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of circumstances under which they are made, not misleading. The Target Circular will comply as to form in all material respects with the requirements of applicable securities Law, except that no representation or warranty is made by Target with respect to statements made or incorporated by reference therein based on information supplied by Acquireco for inclusion or incorporation by reference in the Target Circular.
- (g) Absence of Certain Changes or Events. Except as disclosed in the Target Public Disclosure Documents filed and publicly available prior to the date of this Agreement or Schedule (g) of the Target Disclosure Statement (the "**Filed Target Public Disclosure Documents**"), since December 31, 2012, Target has conducted its business only in the ordinary course and:
 - (i) there has not been any event, change, effect or development (including any decision to implement such a change made by the board of directors of Target in respect of which senior management believes that confirmation of the board of directors is probable), which, individually or in the aggregate, has had, or would reasonably be expected to have, a Materially Adverse effect on Target;
 - (ii) there has not been any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any Target Shares;
 - (iii) there has not been any split, combination or reclassification of any Authorized Capital of Target or any issuance or the authorization of any issuance of any other securities in exchange or in substitution for shares of Authorized Capital of Target;
 - (iv) there has not been, except as disclosed in Schedule (g) of the Target Disclosure Statement, (A) any granting by Target to any officer of Target of any increase in or acceleration of compensation, (B) any granting by Target to any such officer of any increase in severance or termination pay, or (C) any entry by Target into any employment, severance or termination agreement with any such officer;

- (v) there has not been any change in accounting methods, principles or practices by Target materially affecting its assets, liabilities or business, except insofar as may have been required by a change in IFRS; and
 - (vi) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) that is Materially Adverse to Target has been incurred other than in the ordinary course of business consistent with past practice, except as set forth in Schedule (g) of the Target Disclosure Statement.
- (h) Compliance. Except for any conflicts, defaults or violations that would not, individually or in the aggregate (taking into account the impact of any cross defaults), reasonably be expected to result in a Materially Adverse effect on Target, Target has complied with, and is not in conflict with, or in default (including cross defaults) under or in violation of:
- (i) its articles or other organizational documents or by-laws;
 - (ii) any Law or material Permit applicable to it, its business or operations or by which any of its properties or assets is bound or affected; or
 - (iii) any agreement, arrangement or understanding to which it, its business or operations or by which any of its properties or assets is bound or affected.
- (i) Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon Target that has, or would reasonably be expected to have, the effect of prohibiting, restricting or impairing any business practice of Target, any acquisition of property or royalties by Target or the conduct of business by it as currently conducted (including following the Arrangement) other than such agreements, judgments, injunctions, orders or decrees which are not, individually or in the aggregate, Materially Adverse to Target.
- (j) Contracts. Schedule (j) of the Target Disclosure Statement lists all material Contracts to which Target is a party including those Contracts which fall within any of the following categories: (a) Contracts not entered into in the ordinary course of Target's business; (b) royalty, joint venture, partnership and similar agreements; (c) Contracts containing covenants purporting to limit the freedom of Target to compete in any line of business in any geographic area, to hire any individual or group of individuals or to acquire any business, entity or the assets thereof; (d) Contracts which after the Effective Time of the Transactions would have the effect of limiting the freedom of Acquireco or its Subsidiaries (other than Target) to compete in any line of business in any geographic area, to hire any individual or group of individuals or to acquire any business, entity or the assets thereof; (e) Contracts which contain minimum purchase conditions or requirements or other terms that restrict or limit the purchasing relationships of Target other than in the ordinary course of business; (f) Contracts involving annual revenues or expenditures to the business of Target in excess of \$100,000; (g) Contracts containing any rights on the part of any party, including joint venture partners or other entities, to acquire royalty, mining or other property rights from Target; and (i) Contracts that require Target to provide indemnification to any other person. All such Contracts are valid and binding obligations of Target and, to the knowledge of Target, the valid and binding obligation of each other party thereto and are enforceable by Target in accordance with their respective terms, and Target is entitled to all rights and benefits ascribed to such person thereunder, except for such Contracts which if not so valid and binding would not, individually or in the aggregate, have a Materially Adverse effect on Target. Neither Target nor, to the knowledge of Target, any other party thereto is in violation of or in default in respect of, nor has there occurred an event or condition which with the passage of time or giving of notice (or both) would constitute a default under or entitle any party to terminate, accelerate, modify or call a default under, or trigger any pre-emptive rights or rights of

first refusal under, any such Contract except such violations or defaults under such Contracts, which, individually or in the aggregate, would not have a Materially Adverse effect on Target.

(k) Tax Matters.

- (i) Target has timely filed, or caused to be timely filed with the appropriate Agency, all Tax Returns required to be filed by it, and have timely paid, or caused to be timely paid, all material amounts of Taxes due and payable by them, including all instalments on account of any Taxes, except for any such failure to file or failure to pay which would not individually or in the aggregate, have a Materially Adverse effect on Target. All such Tax Returns are true, correct and complete in all material respects and have been completed in accordance with applicable Laws. To the best of Target's knowledge, no such Tax Return contains any misstatement or omits any statement that should have been included therein. No Tax Return has been amended.
- (ii) Reserves and provisions for Taxes accrued but not yet due on or before the Effective Date as reflected in Target's financial statements contained in the Filed Target Public Disclosure Documents are adequate as of the date of such financial statements, in accordance with IFRS. No material deficiencies for Taxes have been proposed, asserted or assessed against Target that would reasonably be expected to be Materially Adverse to Target.
- (iii) Target has not received any written notification that any issues involving a material amount of Taxes have been raised (and are currently pending) by the CRA, or any other taxing authority, including, without limitation, any sales tax authority, in connection with any of the Tax Returns filed or required to be filed, which would, individually or in the aggregate, be Materially Adverse to Target.
- (iv) No unresolved assessments, reassessments, audits, claims, actions, suits, proceedings, or investigations exist or have been initiated with regard to any Taxes or Tax Returns of Target. To the knowledge of Target, no assessment, reassessment, audit or investigation by any Agency is underway, threatened or imminent with respect to Taxes for which Target may be liable, in whole or in part.
- (v) No election, consent for extension, nor any waiver that extends any applicable statute of limitations relating to the determination of a Tax liability of Target has been filed or entered into and is still effective.
- (vi) Target has duly and timely collected all amounts on account of any goods, services, sales, value added, transfer or other Taxes required to have been collected by it and have duly set aside in trust or timely remitted to the appropriate Agency any and all such amounts required to be remitted by it except when the failure to do so would not individually, or in the aggregate, be Materially Adverse.
- (vii) Target has made available to Acquireco or its legal counsel or accountants true and complete copies of all Tax Returns for (and non-privileged studies and opinions related thereto) Target for each of its last three taxable years.
- (viii) Target is, and at all times has filed its Tax Returns on the basis that it is, resident for Tax purposes in its country of incorporation or formation and has not at any time been treated by any Agency as resident in any other country for any Tax

purpose (including any treaty, convention or arrangement for the avoidance of double taxation). Target has not filed any Tax Return on the basis that it is subject to Tax in any jurisdiction other than its country of incorporation or formation (and political subdivisions thereof) or received written notification from any Agency that it may be required to file on such basis.

- (ix) Target has properly withheld and remitted all amounts required to be withheld and/or remitted (including income Tax, non-resident withholding tax, Canada Pension Plan contributions, Employment Insurance, Worker's Compensation premiums, Québec pension plan and Québec parental insurance plan premiums) and have paid such amounts due to the appropriate authority on a timely basis and in the form required under the appropriate legislation except when the failure to do so would not individually, or in the aggregate, be Materially Adverse.
 - (x) There are no Tax liens on any assets of Target except for Taxes not yet currently due and those which would not reasonably be expected to be Materially Adverse to Target.
 - (xi) "**Tax**" and "**Taxes**" means, with respect to any person, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes or other withholding obligations, payroll taxes, employment taxes, Canada or Québec Pension Plan premiums, excise, severance, social security premiums, workers' compensation premiums, unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes of any kind whatsoever, and any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such person or for which such person is responsible, and any interest, penalties, additional taxes, additions to tax or other amounts imposed with respect to the foregoing, and includes any items described above attributable to another person in respect of which the first person is liable to pay by Law, Contract or otherwise, whether or not disputed. "**Tax Returns**" means returns, reports and forms (including schedules thereto) required to be filed with any Agency of Canada or any provincial, state or local Agency therein or any other jurisdiction responsible for the imposition or collection of Taxes.
 - (xii) For purposes of this Section (k), the term "**material amount of Taxes**" shall mean an amount of Taxes that is material to Target.
- (l) Intellectual Property. Target owns all right, title and interest in, or possesses the lawful right to use or has a currently pending application for all patents, patent applications, registered and common law trademarks (including applications therefor), service marks, trade names, copyright applications, copyrights, trade secrets, know-how, computer software, production technology, proprietary technology and other intellectual property and proprietary rights used in or necessary to conduct the business. Additionally:
- (i) Target is not aware of any infringement of any such intellectual property by any third party; and
 - (ii) the conduct of the business of Target has not, and will not, cause Target to infringe or violate any of the patents, trademarks, service marks, trade names, copyrights, trade secrets, proprietary rights, computer software rights or licences

or other intellectual property of any other person and Target has not received any written or oral claim or notice of infringement or potential infringement of the intellectual property of any other person arising out of the conduct of Target and, in particular Target has complied with any licence respecting intellectual property held by Target.

- (m) Non-Arm's Length Transactions. Other than as set out in Schedule (m) of the Target Disclosure Statement, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by Target) between Target on the one hand, and any: (i) officer or director of Target, (ii) any holder of record or, to the knowledge of Target, beneficial owner of five percent or more of the voting securities of Target, or (iii) any affiliate or associate of any officer, director or beneficial owner, on the other hand.
- (n) Employment Matters.
 - (i) Except as to matters otherwise specifically disclosed in Schedule (n) of the Target Disclosure Statement, Target is not a party to any agreement, obligation or understanding providing for severance or termination payments to, or any employment agreement with, any director, consultant, employee or officer, other than any common law obligations of reasonable notice of termination or pay in lieu thereof and any statutory obligations.
 - (ii) Except as to matters otherwise specifically disclosed in Schedule (n) of the Target Disclosure Statement, Target has not had and does not have labour contracts, collective bargaining agreements or employment or consulting agreements with any persons employed by Target or any persons otherwise performing services primarily for Target (the "**Business Personnel**"). Target has not engaged in any unfair labour practice with respect to the Business Personnel since December 31, 2012 and there is no unfair labour practice complaint pending or, to the knowledge of Target, threatened, against Target with respect to the Business Personnel. There is no labour strike, dispute, slowdown or stoppage pending or, to the knowledge of Target, threatened against Target, and Target has not experienced any labour strike, dispute, slowdown or stoppage or other labour difficulty involving the Business Personnel since December 31, 2012.
 - (iii) Target is not subject to any litigation, actual or, to the knowledge of Target, threatened, relating to employment or termination of employment of employees or independent contractors, other than those claims or litigation as would, individually or in the aggregate, not be Materially Adverse to Target.
 - (iv) Target has operated in material compliance with all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights and labour relations and there are no current, pending or, to the knowledge of Target, threatened proceedings before any Agency with respect to any of the above.
- (o) Pension and Employee Benefits.
 - (i) Schedule (o) of the Target Disclosure Statement includes a complete list of all employee benefit, health, welfare, supplemental unemployment benefit, bonus, pension, profit sharing, deferred compensation, stock option, stock compensation, stock purchase, retirement, hospitalization insurance, medical, dental, legal, disability and similar plans or arrangements or practices, whether

written or oral, which are maintained by Target, including all Employee Benefit Plans and Material Employment Agreements (collectively, the “**Target Plans**”).

- (ii) To Target’s knowledge, no step has been taken, no event has occurred and no condition or circumstance exists that has resulted, or would reasonably be expected to result, in any Target Plan being ordered or required to be terminated or wound up in whole or in part or having its registration under applicable Laws refused or revoked, or being placed under the administration of any trustee or receiver or Agency or being required to pay any material Taxes, penalties or levies under applicable Laws. To Target’s knowledge, there are no actions, suits, claims (other than routine claims for payment of benefits in the ordinary course), trials, demands, investigations, arbitrations or other proceedings which are pending or threatened in respect of any of the Target Plans or their assets which, individually or in the aggregate, are Materially Adverse to Target.
- (iii) All of the Target Plans are in compliance in all material respects with all applicable Laws and their terms.
- (iv) Without limiting the generality of the foregoing with respect to each Target Plan:
 - (A) Target has delivered or made available to Acquireco a true, correct and complete copy of: (i) each writing constituting a part of such Plan, including all plan documents, employee communications, benefit schedules, trust agreements, and insurance contracts and other funding vehicles; (ii) the current summary plan description and any material modifications thereto, if any; (iii) the most recent annual financial report, if any; (iv) the most recent actuarial report, if applicable. Target has delivered or made available to Acquireco a true, complete and correct copy of each Material Employment Agreement. Except as specifically provided in the foregoing documents delivered or made available to Acquireco, there are no amendments to any Plan or Material Employment Agreement that have been adopted or approved nor has Target undertaken to make any such amendments or to adopt or approve any new Plan or Material Employment Agreement.
 - (B) All Employee Benefit Plans subject to the Laws of any jurisdiction (i) have been maintained in accordance with all applicable requirements, (ii) if they are intended to qualify for special Tax treatment, meet all requirements for such treatment, and (iii) if they are intended to be funded and/or book-reserved, are fully funded and/or book-reserved on a projected obligation basis, as appropriate, based upon reasonable actuarial assumptions.
 - (C) On or before the date hereof, Target has caused each grantor trust providing for funding of amounts payable pursuant to any Plans and/or Employment Agreements to be amended to ensure that no amounts are required to be contributed thereto as a result of the execution and delivery of this Agreement, the announcement hereof, and/or the announcement or consummation of the Transactions.
- (p) Books and Records. The financial books, records and accounts of Target in all material respects, (i) have been maintained in accordance with IFRS on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets of Target and (iii) accurately and fairly reflect the basis for Target financial statements. The corporate minute books of Target contain

minutes of all meetings and resolutions of the directors and shareholders held, and full access to non-confidential information has been provided to Acquireco.

- (q) Insurance. Target has made available to Acquireco true, correct and complete copies of all material policies of insurance to which Target is a party or is a beneficiary or named insured. Target maintains insurance coverage with reputable insurers in such amounts and covering such risks as are in accordance with normal industry practice for companies engaged in businesses similar to that of Target.
- (r) Litigation. Except as specifically disclosed in Schedule (r) of the Target Disclosure Statement, there is no suit, action or proceeding pending or, to the knowledge of Target, threatened against Target that, individually or in the aggregate, if adversely determined, would reasonably be expected to have a Materially Adverse effect on Target, and there is not any judgment, decree, injunction, rule or order of any Agency or arbitrator outstanding against Target having, or which would reasonably be expected to have, any Materially Adverse effect on Target. As of the date of this Agreement, except as specifically disclosed in Schedule (r) of the Target Disclosure Statement, there is no suit, action, proceeding pending or, to the knowledge of Target, threatened against Target that, individually or in the aggregate, if adversely determined, would reasonably be expected to prevent or delay in any material respect the consummation of the Transactions.
- (s) Determination by the Board and Voting Requirements. The board of directors of Target (after receiving financial advice including the Fairness Opinion, legal advice and after considering other factors), by the unanimous vote of its directors, has determined and resolved at its meeting held on December 5, 2013:
 - (i) that the entering into of this Agreement, the performance by Target of its obligations hereunder and the Transactions are in the best interests of Target and its Securityholders;
 - (ii) the Arrangement is fair to Target Securityholders;
 - (iii) to approve the Transactions and this Agreement; and
 - (iv) to recommend that Target Securityholders approve the Arrangement.

Subject to the terms of the Interim Order, the approvals set out in the definition of Target Securityholder Approval are the only votes of the holders of securities of Target necessary to approve this Agreement and the Transactions.

- (t) Brokers; Schedule of Fees and Expenses. Except as described in Schedule (t) of the Target Disclosure Statement, no broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Target. Target has made available to Acquireco true and complete copies of all agreements that are referred to in Schedule (t) of the Target Disclosure Statement and all indemnification and other agreements related to the engagement of the persons so listed.
- (u) Opinion of Financial Advisor. Target has received the opinion of the Financial Advisor dated the date of this Agreement to the effect that, as of such date, the consideration to be received pursuant to the Transactions by Target Shareholders is fair to the Target Shareholders from a financial point of view, a copy of which opinion will be promptly delivered to Acquireco.

- (v) Dispositions of Company Property. Except as disclosed in Schedule (v) of the Target Disclosure Statement, since December 31, 2012 Target has not sold or disposed of or ceased to hold or own any personal property, real property, any interest or rights with respect to real property (including exploration or production rights), any royalty interest or interest in a joint venture or other assets or properties of Target (“**Target Property**”), other than any interest or rights with respect to real property having an individual fair market value of less than \$50,000 in the aggregate, in each case in the ordinary course of business, consistent with past practice. Except as disclosed in Schedule (v) of the Target Disclosure Statement, no Target Property, the fair market value of which on the date of this Agreement is greater than \$50,000 in the aggregate, is subject to any pending sale or disposition transaction.
- (w) Absence of Cease Trade Orders. No order ceasing or suspending trading in Target Shares (or any of them) or any other securities of Target is outstanding and no proceedings for this purpose have been instituted or, to the knowledge of Target, are pending, contemplated or threatened.
- (x) Reporting Issuer Status. Target is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.
- (y) Disclosure Controls. Target has designed such disclosure controls and procedures, or caused them to be designed under the supervision of its Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance that material information relating to Target is made known to the Chief Executive Officer and Chief Financial Officer by others within Target, particularly during the period in which the annual or interim filings are being prepared.
- (z) Internal Controls. Target has designed such internal controls over financial reporting, or caused them to be designed under the supervision of the Chief Executive Officer and Chief Financial Officer of Target, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. To the knowledge of Target, prior to the date of this Agreement: (i) there are no significant deficiencies in the design or operation of, or material weaknesses in, the internal controls over financial reporting of Target that are reasonably likely to adversely affect Target’s ability to record, process, summarize and report financial information, and (ii) there is and has been no fraud, whether or not material, involving management or any other employees who have a significant role in the internal control over financial reporting of Target. Since December 31, 2012, Target has received no (x) complaints from any source regarding accounting, internal accounting controls or auditing matters or (y) expressions of concern from employees of Target regarding questionable accounting or auditing matters.
- (aa) Investment Canada Act. The book value of the assets of Target calculated in accordance with the *Investment Canada Act* (Canada) and the regulations thereunder is less than \$344 million and neither Target nor entities controlled by Target constitute Canadian businesses that carry on cultural activities within the meaning of the *Investment Canada Act*.
- (bb) Listing. The Target Shares are listed and posted for trading on the TSX.
- (cc) Foreign Private Issuer. Target is a “foreign private issuer” as defined in rule 405 of Regulation C under the U.S. Securities Act.

- (dd) Investment Company. Target is not registered or required to be registered as an “investment company” within the meaning of the United States Investment Company Act of 1940, as amended.

SCHEDULE G

REPRESENTATIONS AND WARRANTIES OF ACQUIRECO

Acquireco represents and warrants to Target as follows (and acknowledge that Target is relying on such representations and warranties in entering this Agreement and completing the Transactions):

- (a) **Organization, Standing and Corporate Power.** Each of Acquireco and each of its Subsidiaries is a corporation, partnership or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite power and authority to own its assets and conduct its business as currently owned and conducted. Each of Acquireco and each of its Subsidiaries is duly qualified or licensed to conduct the business it conducts. Acquireco is not in violation of any provision of its constitution, and no Subsidiary of Acquireco is in violation of any provisions of its constitution, certificate of incorporation, by-laws or comparable organizational documents.
- (b) **Acquireco Subsidiaries.** All the outstanding shares of each Subsidiary of Acquireco have been validly issued and are fully paid and non-assessable. Canco shall be incorporated as a direct wholly owned Subsidiary of Acquireco and shall have no operations.
- (c) **Capitalization.** As at the date of this Agreement, the issued capital of Acquireco consists of 70,550,086 Acquireco Shares and 32,000,000 Performance Shares. As of November 29, 2013, Acquireco is obliged to issue 20,800,000 Acquireco Shares upon the exercise of outstanding stock options that were granted, or are to be granted pursuant to Acquireco's stock option plan or otherwise and except as set forth above, there are no shares of capital stock or other voting securities of Acquireco issued or which would be required to be issued upon the exercise of an option or similar. Other than as disclosed in Section (c) of the Acquireco Disclosure Statement, as at the date of this Agreement, there are no bonds, debentures, notes or other indebtedness of Acquireco having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which shareholders of Acquireco must vote. Except as set forth in Section (c) of the Acquireco Disclosure Statement, as at the date of this Agreement, there are no options to which Acquireco or any of its Subsidiaries is a party or by which any of them is bound relating to the issued or unissued shares of Acquireco or any of its Subsidiaries, or obligating Acquireco or any of its Subsidiaries to issue, transfer, grant, sell or pay for or repurchase any shares or other equity interests in, or securities convertible or exchangeable for any capital stock or other equity interests in, Acquireco or any of its Subsidiaries or obligating Acquireco or any of its Subsidiaries to issue, grant, extend or enter into any such options. All shares of Acquireco that are subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instrument pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and non-assessable.
- (d) **Shareholder and Similar Agreements.** Acquireco is not party to any shareholder, pooling, voting or other similar agreement relating to the issued and outstanding shares in the capital of Acquireco or any of its Subsidiaries.
- (e) **Authority; Non-Contravention.**
 - (i) Acquireco has all requisite corporate power and corporate authority to enter into this Agreement and to consummate the Transactions and to perform its obligations under this Agreement. On December 5, 2013, the board of directors of Acquireco unanimously approved this Agreement and the Transactions and

Acquireco resolved to recommend to Acquireco Shareholders that Acquireco Shareholders give the Acquireco Shareholder Approval. The execution and delivery of this Agreement by Acquireco and the consummation by Acquireco of the Transactions have been duly authorized by all necessary corporate action on the part of Acquireco. Other than the Acquireco Shareholder Approval, no other corporate proceedings on the part of Acquireco or any of its Subsidiaries are necessary to authorize this Agreement, the performance by Acquireco of its obligations under this Agreement or the Transactions. This Agreement has been duly executed and delivered by Acquireco and constitutes a valid and binding obligation of Acquireco, enforceable by Target against Acquireco in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered. Except as set forth in Section (e) of the Acquireco Disclosure Statement, the execution and delivery of this Agreement does not, and the consummation of the Transactions and compliance with the provisions of this Agreement will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of first refusal, consent, termination, buyback, purchase, cancellation or acceleration of any obligation or to loss of any property, rights or benefits under, or result in the imposition of any additional obligation under, or result in the creation of any Lien upon any of the properties or assets of Acquireco or any of its Subsidiaries under, (i) the constitution of Acquireco or the comparable organization documents of any of its Subsidiaries; (ii) any Contract to which Acquireco or any of its Subsidiaries is a party or by which any of them or their respective properties or assets is bound or affected; or (iii) subject to the governmental filings and other matters referred to in the following sentence, any Law applicable to Acquireco or any of its Subsidiaries or their respective properties or assets except for such conflicts, violations, defaults, terminations, cancellations, accelerations, impositions, creations of liens, rights of first refusal, or any consents which, if not given or received, would not individually or in the aggregate, reasonably be expected to be Materially Adverse to Acquireco. No consent, approval, order or authorization of, or registration, declaration or filing with, any Agency, is required by or with respect to Acquireco or any of its Subsidiaries in connection with the execution and delivery of this Agreement by Acquireco or the consummation by Acquireco of the Transactions, except for (i) any approvals required by the Interim Order or the Final Order, (ii) the Regulatory Approvals, and (iii) as set forth in Section (e) of the Acquireco Disclosure Statement.

- (ii) Each of Acquireco and its Subsidiaries possesses all Permits necessary to conduct its business as such business is currently conducted or is expected to be conducted following completion of the Transaction, except where the failure to possess such Permits would not be Materially Adverse to Acquireco and its Subsidiaries and except as set forth in Section (e) of the Acquireco Disclosure Statement: (i) all such Permits are validly held by Acquireco or its Subsidiaries, and Acquireco and its Subsidiaries have complied in all respects with all terms and conditions thereof, and (ii) neither Acquireco nor any of its Subsidiaries has received any outstanding written notice, notice of violation or probable violation, notice of revocation, or other written communication from or on behalf of any Agency, alleging (A) any material violation of such Permit, or (B) that Acquireco or any of its Subsidiaries requires any Permit required for its business as such business is currently conducted, that is not currently held by it.

- (iii) except as set forth in Section (e) of the Acquireco Disclosure Statement:
- (A) to the knowledge of Acquireco, each of Acquireco and its Subsidiaries are and have been in material compliance with all applicable Environmental Laws, except to the extent that a failure to be in such compliance would not be reasonably likely to be Materially Adverse to Acquireco;
 - (B) the properties held by Acquireco have not been used to generate, manufacture, refine, treat, recycle, transport, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance in all material respects with all Environmental Laws. To the knowledge of Acquireco, none of Acquireco, its Subsidiaries or any other person in control of any properties held by Acquireco has caused or permitted the Release of any Hazardous Substances at, in, on, under or from any properties held by Acquireco, except in compliance with all Environmental Laws, except to the extent that a failure to be in such compliance would not be reasonably likely to have a Materially Adverse effect on Acquireco. All Hazardous Substances handled, recycled, disposed of, treated or stored on or off site of the properties held by Acquireco have been handled, recycled, disposed of, treated and stored in material compliance with all Environmental Laws except to the extent that a failure to be in such compliance would not be reasonably likely to have a Materially Adverse effect on Acquireco. To the knowledge of Acquireco, there are no Hazardous Substances at, in, on, under or migrating from properties held by Acquireco, except in material compliance with all Environmental Laws;
 - (C) to the knowledge of Acquireco, none of Acquireco, its Subsidiaries nor any other person for whose actions Acquireco or an Acquireco Subsidiary may be partially or wholly liable, has treated or disposed, or arranged for the treatment or disposal, of any Hazardous Substances at any location: (i) listed on any list of hazardous sites or sites requiring Remedial Action issued by any Governmental Entity; (ii) proposed for listing on any list issued by any Governmental Entity of hazardous sites or sites requiring Remedial Action, or any similar federal, state or provincial lists; or (iii) the subject of enforcement actions by any Governmental Entity that creates the reasonable potential for any proceeding, action, or other claim against Acquireco or any of the Acquireco Subsidiaries. No site or facility now or, to the knowledge of Acquireco, previously owned, operated or leased by Acquireco or any of its Subsidiaries is listed or, to the knowledge of Acquireco, proposed for listing on any list issued by any Governmental Entity of hazardous sites or sites requiring Remedial Action or is the subject of Remedial Action;
 - (D) to the knowledge of Acquireco, none of Acquireco, its Subsidiaries or any other person for whose actions Acquireco or an Acquireco Subsidiary may be partially or wholly liable has caused or permitted the Release of any Hazardous Substances on or to any of the properties owned, leased or operated by Acquireco in such a manner as: (i) would be reasonably likely to impose Liability for cleanup, natural resource damages, loss of life, personal injury, nuisance or damage to other property, except to the extent that such Liability would not have a Materially Adverse effect on Acquireco; or (ii) would be reasonably likely to result in imposition of a lien, charge or other encumbrance or the expropriation on any of the

properties owned, leased or operated by Acquireco or the assets of any of Acquireco or its Subsidiaries;

- (E) to the knowledge of Acquireco, none of the properties of Acquireco has or is required to have any deed notices or restrictions, institutional controls, covenants that run with the land or other restrictive covenants or notices arising under any Environmental Laws; and
 - (F) to the knowledge of Acquireco, none of Acquireco or its Subsidiaries has received any notice, formal or informal, of any proceeding, action or other claim, Liability or potential Liability arising under any Environmental Laws, from any person related to any of the properties owned, leased or operated by Acquireco that is pending as of the date hereof.
- (iv) Acquireco and each Acquireco Subsidiary has good and marketable title to its properties where it has marketable title (other than property as to which Acquireco or a Subsidiary is a lessee, in which case it has a valid leasehold interest) (the "**Properties**") and all such Properties are in good standing with the relevant Agency, except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Materially Adverse effect on Acquireco. (i) all such Properties are validly held by Acquireco or its Subsidiaries, and Acquireco and its Subsidiaries have complied in all respects with all terms and conditions thereof, (ii) none of such Properties will be subject to suspension, modification, revocation or non-renewal as a result of the execution and delivery of this Agreement or the consummation of the Transactions, and (iii) since June 30, 2013, neither Acquireco nor any of its Subsidiaries has received any written notice, notice of violation or probable violation, notice of revocation, or other written communication from or on behalf of any Agency, alleging (A) any violation of such Property, or (B) that Acquireco or any of its Subsidiaries requires any Property required for its business as such business is currently conducted, that is not currently held by it. Furthermore, all real and tangible personal property of each of Acquireco and a Subsidiary is in generally good repair and is operational and usable in the manner in which it is currently being utilized, subject to normal wear and tear and technical obsolescence, repair or replacement; and
- (v) Exploration and technical information contained in the Acquireco Public Disclosure Documents lodged since January 1, 2013 with the ASX, or otherwise made publicly available, has been prepared under the supervision of a Competent Person (as defined in the JORC Code) and otherwise complies in all material respects with the requirements of the JORC Code. Acquireco has not declared any ore resource or ore reserve on any mineral project. To the knowledge of Acquireco, all data and information underlying the exploration and technical information contained in the Acquireco Public Disclosure Documents lodged since January 1, 2013 with the ASX, or otherwise made publicly available, has been reviewed and verified to the satisfaction of a Competent Person. No amendments, restatements or modifications to any prior disclosure of this nature by Acquireco are pending or contemplated.
- (f) Publicly Filed Documents; Undisclosed Liabilities. Except as set forth in Section (f) of the Acquireco Disclosure Statement, Acquireco has filed, or has had filed or disclosed on its behalf, all required reports, schedules, forms, statements and other documents (including documents incorporated by reference, as may be required) with the Australian Securities & Investments Commission and in respect of any Acquireco Subsidiary incorporated outside of Australia, relevant regulatory authorities in those jurisdictions (the "**Acquireco Public Disclosure Documents**") except where the failure to make such filing would not

be Materially Adverse. Except as set forth in Section (f) of the Acquireco Disclosure Statement, as of its date, each Acquireco Public Disclosure Document complied in all material respects with the rules and regulations applicable to such Acquireco Public Disclosure Document. None of the Acquireco Public Disclosure Documents, as of their respective dates, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent that such statements have been modified or superseded by a later-filed Acquireco Public Disclosure Document. The consolidated financial statements of Acquireco included in the Acquireco Public Disclosure Documents comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of AIFRS with respect thereto, have been prepared in accordance with AIFRS applied on a consistent basis during the periods involved (except as may be indicated such financial statements and the notes thereto or, in the case of audited statements in the related report of Acquireco's independent auditors; or in the case of unqualified interim statements and subject to normal period end adjustments and may omit notes which are not required by applicable Laws in the unaudited statements) and fairly present the consolidated financial position of Acquireco as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as and to the extent disclosed, reflected or reserved against on the balance sheet or the notes thereto of Acquireco included in the Acquireco Public Disclosure Documents filed and publically available or in to the date of this Agreement (the "**Filed Acquireco Public Disclosure Documents**"), as incurred after the date thereof in the ordinary course of business consistent with past practice and prohibited by this Agreement, Acquireco does not have any liabilities or obligations of any nature, whether known or unknown, absolute, accrued, contingent or otherwise and whether due or to become due, that, individually or in the aggregate, have had or would reasonably be expected to have a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole.

- (g) Absence of Certain Changes or Events. Except as disclosed in the Filed Acquireco Public Disclosure Documents or Section (g) of the Acquireco Disclosure Statement, since June 30, 2013, Acquireco has conducted, and caused each of its Subsidiaries to conduct, its business only in the ordinary course and:
- (i) there has not been any event, change, effect or development (including any decision to implement such a change made by the board of directors of Acquireco or any of its Subsidiaries in respect of which senior management believes that confirmation of the board of directors is probable), which, individually or in the aggregate, has had, or would reasonably be expected to have, a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole;
 - (ii) there has not been any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any Acquireco Shares;
 - (iii) there has not been any split, combination or reclassification of any authorized capital of Acquireco or any issuance or the authorization of any issuance of any other securities in exchange or in substitution for shares of authorized capital of Acquireco;
 - (iv) there has not been any change in accounting methods, principles or practices by Acquireco or any of its Subsidiaries materially affecting its assets, liabilities or business, except insofar as may have been required by a change in AIFRS or as set forth in Section (g) of the Acquireco Disclosure Statement; and

- (v) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) that is Materially Adverse to Acquireco and its Subsidiaries, taken as a whole, has been incurred other than in the ordinary course of business consistent with past practice, except as set forth in Section (g) of the Acquireco Disclosure Statement.
- (h) Restrictions on Business Activities. Except as set forth in Section (h) of the Acquireco Disclosure Statement, there is no agreement, judgment, injunction, order or decree binding upon Acquireco or any of its Subsidiaries that has, or would reasonably be expected to have, the effect of prohibiting, restricting or impairing any business practice of Acquireco or any of its Subsidiaries, any acquisition of property by Acquireco or any of its Subsidiaries or the conduct of business by any of them as currently conducted (including following the Arrangement) other than such agreements, judgments, injunctions, orders or decrees which are not, individually or in the aggregate, Materially Adverse to Acquireco and its Subsidiaries, taken as a whole.
- (i) Contracts. Section (i) of the Acquireco Disclosure Statement lists all material Contracts to which Acquireco and its Subsidiaries are party including those Contracts which fall within any of the following categories: (a) Contracts not entered into in the ordinary course of business of Acquireco and its Subsidiaries; (b) royalty, joint venture, partnership and similar agreements; (c) Contracts containing covenants purporting to limit the freedom of Acquireco and its Subsidiaries to compete in any line of business in any geographic area, to hire any individual or group of individuals or to acquire any business, entity or the assets thereof; (d) Contracts which after the Effective Time of the Transactions would have the effect of limiting the freedom of Acquireco or its Subsidiaries to compete in any line of business in any geographic area, to hire any individual or group of individuals or to acquire any business, entity or the assets thereof; (e) Contracts which contain minimum purchase conditions or requirements or other terms that restrict or limit the purchasing relationships of Acquireco and its Subsidiaries other than in the ordinary course of business; (f) Contracts involving annual revenues or expenditures to the business of Acquireco and its Subsidiaries in excess of \$100,000; (g) Contracts containing any rights on the part of any party, including joint venture partners or other entities, to acquire royalty, mining or other property rights from Acquireco and its Subsidiaries; and (i) Contracts that require Acquireco or its Subsidiaries to provide indemnification to any other person. All such Contracts are valid and binding obligations of Acquireco or any of its Subsidiaries and, to the knowledge of Acquireco, the valid and binding obligation of each other party thereto and are enforceable by Acquireco or its applicable Subsidiary in accordance with their respective terms, and the Acquireco or its applicable Subsidiary is entitled to all rights and benefits thereunder, except for such Contracts which if not so valid and binding would not, individually or in the aggregate, have a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole. Neither Acquireco nor, to the knowledge of Acquireco, any other party thereto is in violation of or in default in respect of, nor has there occurred an event or condition which with the passage of time or giving of notice (or both) would constitute a default under or entitle any party to terminate, accelerate, modify or call a default under, or trigger any pre-emptive rights or rights of first refusal under, any such Contract except such violations or defaults under such Contracts, which, individually or in the aggregate, would not have a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole.
- (j) Tax Matters.
 - (i) Acquireco and each of its Subsidiaries have timely filed, or caused to be timely filed with the appropriate Agency, all Tax Returns required to be filed by them, and have timely paid, or caused to be timely paid, all material amounts of Taxes due and payable by them, including all instalments on account of any Taxes, except for any such failure to file or failure to pay which would not individually or

in the aggregate, have a Materially Adverse effect on Acquireco. All such Tax Returns are true, correct and complete in all material respects and have been completed in accordance with applicable Laws. To the best of Acquireco's knowledge, no such Tax Return contains any misstatement or omits any statement that should have been included therein. No Tax Return has been amended.

- (ii) Reserves and provisions for Taxes accrued but not yet due on or before the Effective Date as reflected in Acquireco's financial statements contained in the Filed Acquireco Public Disclosure Documents are adequate as of the date of such financial statements, in accordance with AIFRS. No material deficiencies for Taxes have been proposed, asserted or assessed against Acquireco that would reasonably be expected to be Materially Adverse to Acquireco.
- (iii) Neither Acquireco nor any of its Subsidiaries has received any written notification that any issues involving a material amount of Taxes have been raised (and are currently pending) by the Australian Tax Office or any other taxing authority, including, without limitation, any sales tax authority, in connection with any of the Tax Returns filed or required to be filed, which would, individually or in the aggregate, be Materially Adverse to Acquireco.
- (iv) No unresolved assessments, reassessments, audits, claims, actions, suits, proceedings, or investigations exist or have been initiated with regard to any Taxes or Tax Returns of Acquireco or its Subsidiaries. To the knowledge of Acquireco, no assessment, reassessment, audit or investigation by any Agency is underway, threatened or imminent with respect to Taxes for which Acquireco or any of its Subsidiaries may be liable, in whole or in part.
- (v) No election, consent for extension, nor any waiver that extends any applicable statute of limitations relating to the determination of a Tax liability of Acquireco or any of its Subsidiaries has been filed or entered into and is still effective.
- (vi) Acquireco and each of its Subsidiaries have duly and timely collected all amounts on account of any goods, services, sales, value added, transfer or other Taxes required to have been collected by it and have duly set aside in trust or timely remitted to the appropriate Agency any and all such amounts required to be remitted by it.
- (vii) Acquireco has made available to Target or its legal counsel or accountants true and complete copies of all Tax Returns for (and non-privileged studies and opinions related thereto) Acquireco and its Subsidiaries for each of its last three taxable years.
- (viii) Acquireco and each of its Subsidiaries is, and at all times has filed its Tax Returns on the basis that it is, resident for Tax purposes in its country of incorporation or formation and has not at any time been treated by any Agency as resident in any other country for any Tax purpose (including any treaty, convention or arrangement for the avoidance of double taxation). None of Acquireco or any of its Subsidiaries has filed any Tax Return on the basis that it is subject to Tax (other than withholding Tax) in any jurisdiction other than its country of incorporation or formation (and political subdivisions thereof) or received written notification from any Agency that it may be required to file on such basis.

- (ix) Acquireco and each of its Subsidiaries have properly withheld and remitted all amounts required to be withheld and/or remitted (including income tax and non-resident withholding tax) and have paid such amounts due to the appropriate authority on a timely basis and in the form required under the appropriate legislation except when the failure to do so would not individually or in the aggregate be Materially Adverse.
- (x) There are no Tax liens on any assets of Acquireco or any of its Subsidiaries except for Taxes not yet currently due and those which would not reasonably be expected to be Materially Adverse to Acquireco.
- (xi) For purposes of this Section (j), the term “**material amount of Taxes**” shall mean an amount of Taxes that is material to Acquireco and its Subsidiaries taken as a whole.
- (k) Non-Arm’s Length Transactions. Other than as set out in Section (k) of the Acquireco Disclosure Statement, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by Acquireco or any of its Subsidiaries) between Acquireco or any of its Subsidiaries on the one hand, and any (a) officer or director of Acquireco or any of its Subsidiaries, (b) any holder of record or, to the knowledge of Acquireco, beneficial owner of five percent or more of the voting securities of Acquireco, or (c) any affiliate or associate of any officer, director or beneficial owner, on the other hand.
- (l) Books and Records. The financial books, records and accounts of Acquireco and its Subsidiaries in all material respects, (i) have been maintained in accordance with AIFRS on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets of Acquireco and its Subsidiaries and (iii) accurately and fairly reflect the basis for Acquireco consolidated financial statements. The corporate minute books of Acquireco and its Subsidiaries contain minutes of all meetings and resolutions of the directors and shareholders held, and access to non-confidential information has been provided to Acquireco.
- (m) Insurance. Acquireco and its Subsidiaries maintain insurance coverage with reputable insurers in such amounts and covering such risks as are in accordance with normal industry practice for companies engaged in businesses similar to that of Acquireco and its Subsidiaries.
- (n) Litigation. Except as disclosed in the Filed Acquireco Public Disclosure Documents, there is no suit, action or proceeding pending or, to the knowledge of Acquireco, threatened against Acquireco or any of its Subsidiaries that, individually or in the aggregate, would reasonably be expected to have a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole, and there is not any judgment, decree, injunction, rule or order of any Agency or arbitrator outstanding against Acquireco or any of its Subsidiaries having, or which would reasonably be expected to have, a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole. As of the date of this Agreement, except as disclosed in the Filed Acquireco Public Disclosure Documents, there is no suit, action or proceeding pending, or, to the knowledge of Acquireco, threatened, against Acquireco or any of its Subsidiaries that, individually or in the aggregate, would reasonably be expected to prevent or delay in any material respect the consummation of the Transactions.

- (o) Determination by the Board. The board of directors of Acquireco has unanimously determined and resolved at its respective meeting held on December 5, 2013:
- (i) that the entering into of this Agreement and the performance by Acquireco of its obligations hereunder and the Transactions are in the best interests of Acquireco;
 - (ii) to approve the Transactions and this Agreement; and
 - (iii) to recommend to Acquireco Shareholders to give the Acquireco Shareholder Approval.
- (p) Brokers. Except as set forth in Section (p) of the Acquireco Disclosure Statement, no broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Acquireco. Acquireco has made available to Target true and complete copies of all agreements that are referred to in Section (p) of the Acquireco Disclosure Statement and all indemnification and other agreements related to the engagement of the persons so listed.
- (q) Compliance. Except for any conflicts, defaults or violations that would not, individually or in the aggregate (taking into account the impact of any cross defaults), reasonably be expected to result in a Materially Adverse effect on Acquireco and its Subsidiaries, taken as a whole, each of Acquireco and its Subsidiaries has complied with, and is not in conflict with, or in default (including cross defaults) under or in violation of:
- (i) its articles or other organizational documents or by-laws;
 - (ii) any Law or Permit applicable to it, its business or operations or by which any of its properties or assets is bound or affected; or
 - (iii) any agreement, arrangement or understanding to which it, its business or operations or by which any of its properties or assets is bound or affected.
- (r) Dispositions of Company Property. As at the date of this Agreement, except as described in the Filed Acquireco Public Disclosure Documents, since July 1, 2013 neither Acquireco nor any of its Subsidiaries has sold or disposed of or ceased to hold or own any personal property, real property, any interest or rights with respect to real property (including exploration or production rights), any royalty interest or interest in a joint venture or other assets of properties of Acquireco or any of its Subsidiaries ("**Acquireco Property**"), other than any Acquireco Property having an individual fair market value of less than \$500,000 in the aggregate, in each case in the ordinary course of business, consistent with past practice. Except as may be set forth in Section (r) of the Acquireco Disclosure Statement, as at the date of this Agreement, no Acquireco Property, the fair market value of which on the date of this Agreement is greater than \$500,000 in the aggregate, is subject to any pending sale or disposition transaction.
- (s) Absence of Cease Trade Orders. As at the date of this Agreement, no order ceasing or suspending trading in Acquireco Shares (or any of them) or any other securities of Acquireco is outstanding and no proceedings for this purpose have been instituted or, to the knowledge of Acquireco, are pending, contemplated or threatened.

- (t) Issuance of Acquireco Shares and Exchangeable Shares. All Acquireco Shares and Exchangeable Shares issuable in connection with the Arrangement will be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights and will not be subject to any hold or restricted periods.
- (u) Investment Canada Act. Acquireco qualifies as a “WTO investor”, as such term is defined at subsection 14.1(6) of the *Investment Canada Act* (Canada).
- (v) Reservation of Shares. Subject to Acquireco Shareholder Approval, as specified in this Agreement, Acquireco has the ability and capacity to issue the Acquireco Shares, the Exchangeable Shares, the Acquireco Options and the Target Warrants contemplated under this Agreement and pursuant to the Arrangement.
- (w) Listing. The Acquireco Shares are quoted for trading on the market conducted by ASX. From and after the Effective Time (i) the Acquireco Shares included in the Acquireco Share Consideration shall be listed and quoted for trading on the market conducted by ASX and an application to list such shares on the TSX will be made, and (ii) the Acquireco Shares issuable upon (A) exchange of the Exchangeable Share Consideration, and (B) exercise of the Acquireco Option Consideration and the Target Warrants shall, subject to such exchange or exercise, as applicable, be listed and quoted for trading on the market conducted by ASX and an application to list such shares on the TSX will be made.
- (x) Foreign Private Issuer. Acquireco is a “foreign private issuer” as defined in Rule 405 of Regulation C under the U.S. Securities Act.
- (y) Investment Company. Acquireco is not registered and is not required to be registered, as an “investment company” within the meaning of the United States Investment Company Act of 1940, as amended.

SCHEDULE H
SUPPORT AGREEMENT

MEMORANDUM OF AGREEMENT made as of the ● day of ●, between Mamba Minerals Limited, a corporation existing under the laws of Australia (hereinafter referred to as “**Acquireco**”) and ●, a corporation existing under the laws of Ontario (hereinafter referred to as “**Canco**”).

RECITALS:

- (A) In connection with an arrangement agreement (the “**Arrangement Agreement**”) made as of December 5, 2013 between Acquireco and Champion Iron Mines Limited (“**Target**”), the Exchangeable Shares are to be issued to certain holders of securities of Target pursuant to the Plan of Arrangement contemplated by the Arrangement Agreement.
- (B) Pursuant to the Arrangement Agreement, Acquireco is required to enter into this agreement.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are acknowledged), the parties agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

Each initially capitalized term used and not otherwise defined herein shall have the meaning ascribed thereto in the rights, privileges, restrictions and conditions (collectively, the “**Share Provisions**”) attaching to the Exchangeable Shares as set out in the articles of Canco. In this agreement, “**including**” means “including without limitation” and “**includes**” means “includes without limitation”.

1.2 Interpretation Not Affected by Headings

The division of this agreement into Articles, Sections and other portions and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this agreement. Unless otherwise specified, references to an “Article” or “Section” refer to the specified Article or Section of this agreement.

1.3 Number, Gender

Words importing the singular number only shall include the plural and vice versa. Words importing any gender shall include all genders.

1.4 Date for any Action

If any date on which any action is required to be taken under this agreement is not a business day, such action shall be required to be taken on the next succeeding business day. For the purposes of this agreement, a “business day” means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Toronto, Ontario, West Perth, Australia, under applicable law.

ARTICLE 2
COVENANTS OF ACQUIRECO AND CANCO

2.1 Covenants Regarding Exchangeable Shares

So long as any Exchangeable Shares not owned by Acquireco or its affiliates are outstanding, Acquireco shall:

- (a) not declare or pay any dividend or make any other distribution on the Acquireco Shares unless (i) Canco shall (A) on the same day declare or pay, as the case may be, an equivalent dividend or other distribution (as provided for in the Share Provisions) on the Exchangeable Shares (an “**Equivalent Dividend**”), and (B) have sufficient money or other assets or authorized but unissued securities available to enable the due declaration and the due and punctual payment, in accordance with applicable law, of any such Equivalent Dividend, or (ii) Canco shall, in the case of a dividend that is a stock dividend on the Acquireco Shares (A) subdivide the Exchangeable Shares in lieu of a stock dividend thereon (as provided for in the Share Provisions) in a similar proportion to that in respect of the Acquireco Shares (an “**Equivalent Stock Subdivision**”), and (B) have sufficient authorized but unissued securities available to enable the Equivalent Stock Subdivision;
- (b) advise Canco sufficiently in advance of the declaration by Acquireco of any dividend or other distribution on the Acquireco Shares and take all such other actions as are necessary or desirable, in co-operation with Canco, to ensure that (i) the respective declaration date, record date and payment date for an Equivalent Dividend on the Exchangeable Shares shall be the same as the declaration date, record date and payment date for the corresponding dividend or other distribution on the Acquireco Shares, or (ii) the record date and effective date for an Equivalent Stock Subdivision shall be the same as the record date and payment date for the corresponding stock dividend on the Acquireco Shares;
- (c) ensure that the record date for any dividend or other distribution declared on the Acquireco Shares is not less than seven (7) days after the declaration date of such dividend or other distribution and at least seven (7) days prior written notice of the dividend or other distribution is issued or distributed to holders of Exchangeable Shares;
- (d) take all such actions and do all such things as are necessary to enable and permit Canco, in accordance with applicable law, to pay and otherwise perform its obligations with respect to the satisfaction of the Liquidation Amount, the Retraction Price or the Redemption Price in respect of each issued and outstanding Exchangeable Share (other than Exchangeable Shares owned by Acquireco or its affiliates) upon the liquidation, dissolution or winding-up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, the delivery of a Retraction Request by a holder of Exchangeable Shares or a redemption of Exchangeable Shares by Canco, as the case may be, including all such actions and all such things as are necessary or desirable to enable and permit Canco to cause to be delivered Acquireco Shares to the holders of Exchangeable Shares in accordance with the provisions of Sections 5, 6 or 7, as the case may be, of the Share Provisions;
- (e) take all such actions and do all such things as are necessary or desirable to enable and permit Acquireco, or an Acquireco Affiliate as applicable, or, in accordance with applicable law, to perform its obligations arising upon the exercise by it of the Liquidation Call Right, the Redemption Call Right, the Change of Law Call Right (as defined in the Plan of Arrangement) or the Retraction Call Right, including all such actions and all such things as are necessary or desirable to enable and permit Acquireco, or an Acquireco

Affiliate as applicable, to cause to be delivered Acquireco Shares to the holders of Exchangeable Shares in accordance with the provisions of the Liquidation Call Right, the Retraction Call Right, the Change of Law Call Right or the Redemption Call Right, as the case may be; and

- (f) except in connection with any event, circumstance or action which causes or could cause the occurrence of a Redemption Date, not exercise its vote as a shareholder to initiate the voluntary liquidation, dissolution or winding up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, nor take any action or omit to take any action that is designed to result in the liquidation, dissolution or winding up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs.

2.2 Segregation of Funds

Acquireco shall cause Canco to deposit a sufficient amount of funds in a separate account of Canco and segregate a sufficient amount of such other assets and property as is necessary to enable Canco to pay dividends when due (including, without limitation, the Equivalent Dividend) and to pay or otherwise satisfy its respective obligations under Sections 5, 6 and 7 of the Share Provisions, as applicable.

2.3 Reservation of Acquireco Shares

Acquireco hereby represents, warrants and covenants in favour of Canco that Acquireco has reserved for issuance and shall, at all times while any Exchangeable Shares (other than Exchangeable Shares held by Acquireco or its affiliates) are outstanding, keep available, free from pre-emptive and other rights, out of its authorized and unissued capital stock such number of Acquireco Shares (or other shares or securities into which Acquireco Shares may be reclassified or changed as contemplated by Section 2.7): (a) as is equal to the sum of (i) the number of Exchangeable Shares issued and outstanding from time to time and (ii) the number of Exchangeable Shares issuable upon the exercise of all rights to acquire Exchangeable Shares outstanding from time to time; and (b) as are now and may hereafter be required to enable and permit Acquireco to meet its obligations under the Voting and Exchange Trust Agreement and under any other security or commitment pursuant to which Acquireco may now or hereafter be required to issue Acquireco Shares, to enable and permit Acquireco, or an Acquireco Affiliate as applicable, to meet its obligations under each of the Liquidation Call Right, the Retraction Call Right, the Change of Law Call Right and the Redemption Call Right and to enable and permit Canco to meet its obligations hereunder and under the Share Provisions.

2.4 Notification of Certain Events

In order to assist Acquireco to comply with its obligations hereunder and to permit Acquireco, or an Acquireco Affiliate as applicable, to exercise, as the case may be, the Liquidation Call Right, the Retraction Call Right, the Change of Law Call Right and the Redemption Call Right, Canco shall notify Acquireco, or the Acquireco Affiliate as applicable, of each of the following events at the time set forth below:

- (a) in the event of any determination by the Board of Directors of Canco to institute voluntary liquidation, dissolution or winding-up proceedings with respect to Canco or to effect any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs, at least 60 days prior to the proposed effective date of such liquidation, dissolution, winding-up or other distribution;
- (b) promptly, upon the earlier of receipt by Canco of notice of and Canco otherwise becoming aware of any threatened or instituted claim, suit, petition or other proceedings with respect to the involuntary liquidation, dissolution or winding-up of Canco or to effect

any other distribution of the assets of Canco among its shareholders for the purpose of winding up its affairs;

- (c) immediately, upon receipt by Canco of a Retraction Request;
- (d) on the same date on which notice of redemption is given to holders of Exchangeable Shares, upon the determination of a Redemption Date in accordance with the Share Provisions;
- (e) as soon as practicable upon the issuance by Canco of any Exchangeable Shares or rights to acquire Exchangeable Shares (other than the issuance of Exchangeable Shares and rights to acquire Exchangeable Shares pursuant to the Arrangement); and
- (f) promptly, upon receiving notice of a Change of Law (as defined in the Plan of Arrangement).

2.5 Delivery of Acquireco Shares to Canco

In furtherance of its obligations under Section 2.1(d) and Section 2.1(e), upon notice from Canco of any event that requires Canco, Acquireco or an Acquireco Affiliate as applicable, to cause to be delivered Acquireco Shares to any holder of Exchangeable Shares, Acquireco shall forthwith allot, issue and deliver or cause to be delivered to the relevant holder of Exchangeable Shares as directed by Canco or an Acquireco Affiliate the requisite number of Acquireco Shares to be allotted to, received by, and issued to or to the order of, the former holder of the surrendered Exchangeable Shares (but, for the avoidance of doubt, not to Canco or an Acquireco Affiliate). All such Acquireco Shares shall be duly authorized and validly issued as fully paid and shall be free and clear of any lien, claim or encumbrance. In consideration of the issuance and delivery of each such Acquireco Share, Canco or the Acquireco Affiliate, as the case may be, shall ascribe a cash amount or pay a purchase price equal to the fair market value of such Acquireco Shares.

2.6 Qualification of Acquireco Shares

If any Acquireco Shares (or other shares or securities into which Acquireco Shares may be reclassified or changed as contemplated by Section 2.7) to be issued and delivered hereunder require registration or qualification with or approval of or the filing of any document, including any prospectus or similar document or the taking of any proceeding with or the obtaining of any order, ruling or consent from any governmental or regulatory authority under any Australian or Canadian federal, state, provincial or territorial securities or other law or regulation or pursuant to the rules and regulations of any securities or other regulatory authority in Australia or Canada or the fulfillment of any other Australian or Canadian legal requirement before such shares (or such other shares or securities) may be issued by Acquireco and delivered by Acquireco at the direction of Canco, Acquireco or an Acquireco Affiliate, if applicable, to the holder of surrendered Exchangeable Shares or in order that such shares (or such other shares or securities) may be freely traded (other than any restrictions of general application on transfer by reason of a holder being a “**control person**” for purposes of Canadian federal, provincial or territorial securities law or the equivalent thereof under any Australian laws), Acquireco shall use its commercially reasonable efforts (which, for greater certainty, shall not require Acquireco to consent to a term or condition of an approval or consent which Acquireco reasonably determines could have a materially adverse effect on Acquireco or its subsidiaries) to cause such Acquireco Shares (or such other shares or securities) to be and remain duly registered, qualified or approved under Australian and/or Canadian law as freely tradeable shares. Acquireco shall use its commercially reasonable efforts (which, for greater certainty, shall not require Acquireco to consent to a term or condition of an approval or consent which Acquireco reasonably determines could have a materially adverse effect on Acquireco or its subsidiaries) to cause all Acquireco Shares (or such other shares or securities) to be delivered hereunder to be listed, quoted or posted for trading on all stock exchanges and quotation systems on which outstanding Acquireco Shares (or such other shares or securities) have been listed by Acquireco and remain listed and are quoted or posted for trading at such time.

2.7 Economic Equivalence

So long as any Exchangeable Shares not owned by Acquireco or its affiliates are outstanding:

- (a) Acquireco shall not without prior approval of Canco and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 12(2) of the Share Provisions:
 - (i) issue or distribute Acquireco Shares (or securities exchangeable for or convertible into or carrying rights to acquire Acquireco Shares) to the holders of all or substantially all of the then outstanding Acquireco Shares by way of stock dividend or other distribution, other than an issue of Acquireco Shares (or securities exchangeable for or convertible into or carrying rights to acquire Acquireco Shares) to holders of Acquireco Shares (i) who exercise an option to receive dividends in Acquireco Shares (or securities exchangeable for or convertible into or carrying rights to acquire Acquireco Shares) in lieu of receiving cash dividends, or pursuant to any dividend reinvestment plan or similar arrangement; or
 - (ii) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding Acquireco Shares entitling them to subscribe for or to purchase Acquireco Shares (or securities exchangeable for or convertible into or carrying rights to acquire Acquireco Shares); or
 - (iii) issue or distribute to the holders of all or substantially all of the then outstanding Acquireco Shares (A) shares or securities (including evidence of indebtedness) of Acquireco of any class (other than Acquireco Shares or securities convertible into or exchangeable for or carrying rights to acquire Acquireco Shares), or (B) rights, options, warrants or other assets other than those referred to in Section 2.7(a)(ii) or (C) assets of Acquireco;

unless in each case the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets is issued or distributed simultaneously to holders of the Exchangeable Shares and at least seven (7) days prior written notice thereof is given to the holders of Exchangeable Shares; provided that, for greater certainty, the above restrictions shall not apply to any securities issued or distributed by Acquireco in order to give effect to and to consummate, is in furtherance of or is otherwise in connection with the transactions contemplated by, and in accordance with, the Plan of Arrangement.
- (b) Acquireco shall not without the prior approval of Canco and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 12(2) of the Share Provisions:
 - (i) subdivide, redivide or change the then outstanding Acquireco Shares into a greater number of Acquireco Shares; or
 - (ii) reduce, combine, consolidate or change the then outstanding Acquireco Shares into a lesser number of Acquireco Shares; or
 - (iii) reclassify or otherwise change Acquireco Shares or effect an amalgamation, merger, arrangement, reorganization or other transaction affecting Acquireco Shares;

unless the same or an economically equivalent change shall simultaneously be made to, or in the rights of the holders of, the Exchangeable Shares and at least seven days prior written notice is given to the holders of Exchangeable Shares.

- (c) Acquireco shall ensure that the record date for any event referred to in Section 2.7(a) or Section 2.7(b), or (if no record date is applicable for such event) the effective date for any such event, is not less than seven business days after the date on which such event is declared or announced by Acquireco (with contemporaneous notification thereof by Acquireco to Canco).
- (d) The Board of Directors of Canco shall determine, acting in good faith and in its sole discretion, economic equivalence for the purposes of any event referred to in Section 2.7(a) or Section 2.7(b) and each such determination shall be conclusive and binding on Acquireco. In making each such determination, the following factors shall, without excluding other factors determined by the Board of Directors of Canco to be relevant, be considered by the Board of Directors of Canco:
 - (i) in the case of any stock dividend or other distribution payable in Acquireco Shares, the number of such shares issued in proportion to the number of Acquireco Shares previously outstanding;
 - (ii) in the case of the issuance or distribution of any rights, options or warrants to subscribe for or purchase Acquireco Shares (or securities exchangeable for or convertible into or carrying rights to acquire Acquireco Shares), the relationship between the exercise price of each such right, option or warrant and the Current Market Price of an Acquireco Share;
 - (iii) in the case of the issuance or distribution of any other form of property (including any shares or securities of Acquireco of any class other than Acquireco Shares, any rights, options or warrants other than those referred to in Section 2.7(d)(ii), any evidences of indebtedness of Acquireco or any assets of Acquireco), the relationship between the fair market value (as determined by the Board of Directors of Canco in the manner above contemplated) of such property to be issued or distributed with respect to each outstanding Acquireco Share and the Current Market Price of an Acquireco Share;
 - (iv) in the case of any subdivision, redivision or change of the then outstanding Acquireco Shares into a greater number of Acquireco Shares or the reduction, combination, consolidation or change of the then outstanding Acquireco Shares into a lesser number of Acquireco Shares or any amalgamation, merger, arrangement, reorganization or other transaction affecting Acquireco Shares, the effect thereof upon the then outstanding Acquireco Shares; and
 - (v) in all such cases, the general taxation consequences of the relevant event to holders of Exchangeable Shares to the extent that such consequences may differ from the taxation consequences to holders of Acquireco Shares as a result of differences between taxation laws of Canada and the Australia (except for any differing consequences arising as a result of differing withholding taxes and marginal taxation rates and without regard to the individual circumstances of holders of Exchangeable Shares).
- (e) Canco agrees that, to the extent required, upon due notice from Acquireco, Canco shall use its best efforts to take or cause to be taken such steps as may be necessary for the purposes of ensuring that appropriate dividends are paid or other distributions are made by Canco, or subdivisions, redivisions or changes are made to the Exchangeable Shares,

in order to implement the required economic equivalence with respect to the Acquireco Shares and Exchangeable Shares as provided for in this Section 2.7.

2.8 Tender Offers

In the event that a tender offer, share exchange offer, issuer bid, take-over bid or similar transaction with respect to Acquireco Shares (an “Offer”) is proposed by Acquireco or is proposed to Acquireco or its shareholders and is recommended by the Board of Directors of Acquireco, or is otherwise effected or to be effected with the consent or approval of the Board of Directors of Acquireco, and the Exchangeable Shares are not redeemed by Canco or purchased by Acquireco or an Acquireco Affiliate pursuant to the Redemption Call Right, Acquireco shall expeditiously and in good faith take all such actions and do all such things as are necessary or desirable to enable and permit holders of Exchangeable Shares (other than Acquireco and its affiliates) to participate in such Offer to the same extent and on an economically equivalent basis as the holders of Acquireco Shares, without discrimination. Without limiting the generality of the foregoing, Acquireco shall expeditiously and in good faith take all such actions and do all such things as are necessary or desirable to ensure that holders of Exchangeable Shares may participate in each such Offer without being required to retract Exchangeable Shares as against Canco (or, if so required, to ensure that any such retraction shall be effective only upon, and shall be conditional upon, the closing of such Offer and only to the extent necessary to tender or deposit to the Offer). Nothing herein shall affect the rights of Canco to redeem (or Acquireco or an Acquireco Affiliate to purchase pursuant to the Redemption Call Right) Exchangeable Shares, as applicable, in the event of an Acquireco Control Transaction.

2.9 Ownership of Outstanding Shares

Without the prior approval of Canco and the prior approval of the holders of the Exchangeable Shares given in accordance with **[Section 12(2)]** of the Share Provisions, Acquireco covenants and agrees in favour of Canco that, as long as any outstanding Exchangeable Shares are owned by any person other than Acquireco or any of its affiliates, Acquireco shall be and remain the direct or indirect beneficial owner of all issued and outstanding voting shares in the capital of Canco and any Acquireco Affiliate. Notwithstanding the foregoing, but subject to Article 3, Acquireco shall not be in violation of this Section 2.9 if any person or group of persons acting jointly or in concert acquire all or substantially all of the assets of Acquireco or the Acquireco Shares pursuant to any merger of Acquireco pursuant to which Acquireco was not the surviving corporation.

2.10 Acquireco and Affiliates Not to Vote Exchangeable Shares

Acquireco covenants and agrees that it shall appoint and cause to be appointed proxyholders with respect to all Exchangeable Shares held by it and its affiliates for the sole purpose of attending each meeting of holders of Exchangeable Shares in order to be counted as part of the quorum for each such meeting. Acquireco further covenants and agrees that it shall not, and shall cause its affiliates not to, exercise any voting rights which may be exercisable by holders of Exchangeable Shares from time to time pursuant to the Share Provisions or pursuant to the provisions of the OBCA (or any successor or other corporate statute by which Canco may in the future be governed) with respect to any Exchangeable Shares held by it or by its affiliates in respect of any matter considered at any meeting of holders of Exchangeable Shares.

2.11 Ordinary Market Purchases

For certainty, nothing contained in this agreement, including the obligations of Acquireco contained in Section 2.8, shall limit the ability of Acquireco (or any of its subsidiaries including, without limitation, Canco or an Acquireco Affiliate) to make ordinary market purchases of Acquireco Shares in accordance with applicable laws and regulatory or stock exchange requirements.

2.12 Stock Exchange Listing

Acquireco covenants and agrees in favour of Canco that, as long as any outstanding Exchangeable Shares are owned by any person other than Acquireco or any of its affiliates, Acquireco shall use reasonable efforts to maintain a listing for such Acquireco Shares on the ASX and the TSX.

ARTICLE 3 ACQUIRECO SUCCESSORS

3.1 Certain Requirements in Respect of Combination, etc.

So long as any Exchangeable Shares not owned by Acquireco or its affiliates are outstanding, Acquireco shall not consummate any transaction (whether by way of reconstruction, reorganization, consolidation, arrangement, amalgamation, merger, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, property and assets would become the property of any other person or, in the case of a merger, of the continuing corporation resulting therefrom, provided that it may do so if:

- (a) such other person or continuing corporation (the “**Acquireco Successor**”) by operation of law, becomes, without more, bound by the terms and provisions of this agreement or, if not so bound, executes, prior to or contemporaneously with the consummation of such transaction, an agreement supplemental hereto and such other instruments (if any) as are necessary or advisable to evidence the assumption by the Acquireco Successor of liability for all moneys payable and property deliverable hereunder and the covenant of such Acquireco Successor to pay and deliver or cause to be delivered the same and its agreement to observe and perform all the covenants and obligations of Acquireco under this agreement; and
- (b) such transaction shall be upon such terms and conditions as to preserve and not to impair in any material respect any of the rights, duties, powers and authorities of the other parties hereunder or the holders of the Exchangeable Shares.

3.2 Vesting of Powers in Successor

Whenever the conditions of Section 3.1 have been duly observed and performed, the parties, if required by Section 3.1, shall execute and deliver the supplemental agreement provided for in Section 3.1(a) and thereupon the Acquireco Successor and such other person that may then be the issuer of the Acquireco Shares shall possess and from time to time may exercise each and every right and power of Acquireco under this agreement in the name of Acquireco or otherwise and any act or proceeding by any provision of this agreement required to be done or performed by the Board of Directors of Acquireco or any officers of Acquireco may be done and performed with like force and effect by the directors or officers of such Acquireco Successor.

3.3 Wholly-Owned Subsidiaries

Nothing herein shall be construed as preventing (i) the amalgamation or merger of any wholly owned direct or indirect subsidiary of Acquireco with or into Acquireco (other than Canco or an Acquireco Affiliate), (ii) the winding-up, liquidation or dissolution of any wholly-owned direct or indirect subsidiary of Acquireco, provided that all of the assets of such subsidiary are transferred to Acquireco or another wholly-owned direct or indirect subsidiary of Acquireco, or (iii) any other distribution of the assets of any wholly-owned direct or indirect subsidiary of Acquireco among the shareholders of such subsidiary for the purpose of winding up its affairs (other than Canco or an Acquireco Affiliate, unless done so in accordance with the terms of this agreement and the Share Provisions), and any such transactions are expressly permitted by this Article 3.

3.4 Successorship Transaction

Notwithstanding the foregoing provisions of Article 3, in the event of an Acquireco Control Transaction:

- (a) in which Acquireco merges or amalgamates with, or in which all or substantially all of the then outstanding Acquireco Shares are acquired by, one or more other corporations to which Acquireco is, immediately before such merger, amalgamation or acquisition, “related” within the meaning of the Tax Act (otherwise than by virtue of a right referred to in paragraph 251(5)(b) thereof);
- (b) which does not result in an acceleration of the Redemption Date in accordance with paragraph (b) of the definition of Redemption Date in **[Section 1(1)]** of the Share Provisions; and
- (c) in which all or substantially all of the then outstanding Acquireco Shares are converted into or exchanged for shares or rights to receive such shares (the “**Other Shares**”) or another corporation (the “**Other Corporation**”) that, immediately after such Acquireco Control Transaction, owns or controls, directly or indirectly, Acquireco;

then all references herein to “Acquireco” shall thereafter be and be deemed to be references to “Other Corporation” and all references herein to “Acquireco Shares” shall thereafter be and be deemed to be references to “Other Shares” (with appropriate adjustments if any, as are required to result in a holder of Exchangeable Shares on the exchange, redemption or retraction of such shares pursuant to the Exchangeable Share Provisions or Article 5 of the Plan of Arrangement or exchange of such shares pursuant to the Voting and Exchange Trust Agreement immediately subsequent to the Acquireco Control Transaction being entitled to receive that number of Other Shares equal to the number of Other Shares such holder of Exchangeable Shares would have received if the exchange, redemption or retraction of such shares pursuant to the Exchangeable Share Provisions or Article 5 of the Plan of Arrangement, or exchange of such shares pursuant to the Voting and Exchange Trust Agreement had occurred immediately prior to the Acquireco Control Transaction and the Acquireco Control Transaction was completed) without any need to amend the terms and conditions of the Exchangeable Shares and without any further action required.

ARTICLE 4 GENERAL

4.1 Term

This agreement shall come into force and be effective as of the date hereof and shall terminate and be of no further force and effect at such time as no Exchangeable Shares (or securities or rights convertible into or exchangeable for or carrying rights to acquire Exchangeable Shares) are held by any person other than Acquireco and any of its affiliates.

4.2 Changes in Capital of Acquireco and Canco

At all times after the occurrence of any event contemplated pursuant to Section 2.7 and Section 2.8 or otherwise, as a result of which either Acquireco Shares or the Exchangeable Shares or both are in any way changed, this agreement shall forthwith be amended and modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to all new securities into which Acquireco Shares or the Exchangeable Shares or both are so changed and the parties hereto shall execute and deliver an agreement in writing giving effect to and evidencing such necessary amendments and modifications.

4.3 Severability

If any term or other provision of this agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.4 Amendments, Modifications

- (a) Subject to Section 4.2, Section 4.3 and Section 4.5 this agreement may not be amended or modified except by an agreement in writing executed by Canco and Acquireco and approved by the holders of the Exchangeable Shares in accordance with Section 12(2) of the Share Provisions.
- (b) No amendment or modification or waiver of any of the provisions of this agreement otherwise permitted hereunder shall be effective unless made in writing and signed by all of the parties hereto.

4.5 Ministerial Amendments

Notwithstanding the provisions of Section 4.4, the parties to this agreement may in writing at any time and from time to time, without the approval of the holders of the Exchangeable Shares, amend or modify this agreement for the purposes of:

- (a) adding to the covenants of any or all parties provided that the Board of Directors of each of Canco and Acquireco shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the holders of the Exchangeable Shares;
- (b) making such amendments or modifications not inconsistent with this agreement as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board of Directors of each of Canco and Acquireco, it may be expedient to make, provided that each such Board of Directors shall be of the good faith opinion that such amendments or modifications will not be prejudicial to the rights or interests of the holders of the Exchangeable Shares; or
- (c) making such changes or corrections which, on the advice of counsel to Canco and Acquireco, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Boards of Directors of each of Canco and Acquireco shall be of the good faith opinion that such changes or corrections will not be prejudicial to the rights or interests of the holders of the Exchangeable Shares.

4.6 Meeting to Consider Amendments

Canco, at the request of Acquireco, shall call a meeting or meetings of the holders of the Exchangeable Shares for the purpose of considering any proposed amendment or modification requiring approval pursuant to Section 4.4. Any such meeting or meetings shall be called and held in accordance with the bylaws of Canco, the Share Provisions and all applicable laws.

4.7 Enurement

This agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

4.8 Notices to Parties

Any notice and other communications required or permitted to be given pursuant to this agreement shall be sufficiently given if delivered in person or if sent by facsimile transmission (provided such transmission is recorded as being transmitted successfully) to the parties at the following addresses:

- (i) in the case of Acquireco or Canco to the following address:

Mamba Minerals Limited

Attn: Mr. Michael O'Keeffe
91 Evans Street
Rozelle NSW 2039

Tel: +61 2 9810 7816
Fax: +61 2 8065 5017

with a copy to (which shall not constitute notice):

Ashurst Australia

Attn: Mr. Gary Lawler
Level 36, Grosvenor Place, 225 George Street
Sydney NSW 2000
GPO Box 9938, Sydney NSW 2001

Tel: +61 2 9258 6000
Fax: +61 2 9258 6999

or at such other address as the party to which such notice or other communication is to be given has last notified the party given the same in the manner provided in this section, and if not given the same shall be deemed to have been received on the date of such delivery or sending.

4.9 Counterparts

This agreement may be executed in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

4.10 Jurisdiction

This agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each party hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising hereunder or related hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the date first above written.

MAMBA MINERALS LIMITED

Per:

Name:

Title:

[CANCO]

Per:

Name:

Title:

SCHEDULE I

VOTING AND EXCHANGE TRUST AGREEMENT

MEMORANDUM OF AGREEMENT made as of the ● day of ●, between Mamba Minerals Limited, [Canco] and [Trustee].

RECITALS:

- (A) In connection with an agreement (as may be amended, supplemented and/or restated, the “**Arrangement Agreement**”) made as of December 5, 2013, between Acquireco and Target, the Exchangeable Shares are to be issued to certain holders of securities of Target pursuant to the Plan of Arrangement contemplated in the Arrangement Agreement;
- (B) Pursuant to the Arrangement Agreement, Acquireco is required to enter into this agreement.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are acknowledged), the parties agree as follows:

ARTICLE 1 – DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this agreement, each initially capitalized term used and not otherwise defined herein shall have the meaning provided thereto in the rights, privileges, restrictions and conditions (collectively, the “**Share Provisions**”) attaching to the Exchangeable Shares as set out in the articles of Canco and the following terms shall have the following meanings:

- (a) “**Acquireco**” means Mamba Minerals Limited ABN 34 119 770 142, a corporation incorporated under the laws of Australia.
- (b) “**Acquireco Affiliate**” means a direct or indirect wholly owned Subsidiary of Acquireco to which Acquireco has transferred and assigned the Liquidation Call Right pursuant to Section 5.1(a) of the Plan of Arrangement, the Redemption Call Right pursuant to Section 5.2(a) of the Plan of Arrangement, the Change of Law Call Right pursuant to Section 5.3(a) of the Plan of Arrangement or the Retraction Call Right pursuant to Section 6(1) of the Exchangeable Share Provisions, as applicable.
- (c) “**Acquireco Consent**” has the meaning provided in Section 4.2(a).
- (d) “**Acquireco Meeting**” has the meaning provided in Section 4.2(a).
- (e) “**Acquireco Special Voting Shares**” means the special voting shares in the capital of Acquireco which entitle the holder of record of each share one vote per share at meetings of holders of Acquireco Shares and in number outstanding at any time equal to the number of Exchangeable Shares outstanding from time to time (excluding Exchangeable Shares held by Acquireco and affiliates of Acquireco), which shares are to be issued to and voted by, the Trustee as described herein.
- (f) “**Acquireco Successor**” has the meaning provided in Section 10.1(a).
- (g) “**Agency**” means any domestic or foreign court, tribunal, federal, state, provincial or local government or governmental agency, department or authority or other regulatory

authority (including the TSX and the ASX or administrative agency or commission (including the Securities Commissions and the Australian Securities & Investments Commission) or any elected or appointed public official.

- (h) **“Arrangement Agreement”** has the meaning provided in the Recitals.
- (i) **“ASX”** means the Australian Securities Exchange, or any successor exchange.
- (j) **“Authorized Investments”** means short-term interest-bearing or discount debt obligations issued or guaranteed by the Government of Canada or any province thereof or a Canadian chartered bank (which may include an affiliate or related party of the Trustee), maturing not more than one year from the date of investment, provided that each such obligation is rated at least RI (middle) by DBRS Inc. or any equivalent rating by Canadian Bond Rating Service.
- (k) **“Automatic Exchange Right”** means the benefit of the obligation of Acquireco to effect the automatic exchange of Exchangeable Shares for Acquireco Shares pursuant to Section 5.12.
- (l) **“Beneficiaries”** means the registered holders from time to time of Exchangeable Shares, other than Acquireco’s affiliates.
- (m) **“Beneficiary Votes”** has the meaning provided in Section 4.2(a).
- (n) **“Board of Directors”** means the Board of Directors of Canco.
- (o) **“Canco”** means ●, a corporation incorporated under the laws of Ontario.
- (p) **“Change of Law Call Right”** has the meaning provided pursuant to Section 5.3(a) of the Plan of Arrangement.
- (q) **“Exchange Right”** has the meaning provided in Section 5.1(a).
- (r) **“Exchangeable Share Provisions”** means the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares, which rights, privileges, restrictions and conditions shall be in substantially the form set out in Appendix I to Schedule B of the Arrangement Agreement.
- (s) **“Exchangeable Shares”** means the exchangeable shares in the capital of Canco as more particularly described in Appendix 1 to Schedule B of the Arrangement Agreement.
- (t) **“including”** means “including without limitation” and **“includes”** means “includes without limitation”.
- (u) **“Indemnified Parties”** has the meaning provided in Section 8.1(a).
- (v) **“Insolvency Event”** means (i) the institution by Canco of any proceeding to be adjudicated a bankrupt or insolvent or to be wound up, or the consent of Canco to the institution of bankruptcy, insolvency or winding-up proceedings against it, or (ii) the filing of a petition, answer or consent seeking dissolution or winding-up under any bankruptcy, insolvency or analogous laws, including the *Companies Creditors’ Arrangement Act* (Canada) and the *Bankruptcy and Insolvency Act* (Canada), and the failure by Canco to contest in good faith any such proceedings commenced in respect of Canco within 30 days of becoming aware thereof, or the consent by Canco to the filing of any such petition or to the appointment of a receiver, or (iii) the making by Canco of a general

assignment for the benefit of creditors, or the admission in writing by Canco of its inability to pay its debts generally as they become due, or (iv) Canco not being permitted, pursuant to solvency requirements of applicable law, to redeem any Retracted Shares pursuant to Section 7 of the Share Provisions.

- (w) “**Law**” means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, published policies, notices, directions and judgments or other requirements of any Agency, in each case having the force of law.
- (x) “**Liquidation Call Right**” has the meaning provided in Section 5.1(a) of the Plan of Arrangement.
- (y) “**Liquidation Event**” has the meaning provided in Section 5.12(b).
- (z) “**Liquidation Event Effective Date**” has the meaning provided in Section 5.12(c).
- (aa) “**List**” has the meaning provided in Section 4.6.
- (bb) “**Officer’s Certificate**” means, with respect to Acquireco or Canco, as the case may be, a certificate signed by any officer or director of Acquireco or Canco, as the case may be.
- (cc) “**Plan of Arrangement**” means the plan of arrangement attached as Schedule B to the Arrangement Agreement.
- (dd) “**Privacy Laws**” has the meaning provided in Section 6.18.
- (ee) “**Redemption Call Right**” has the meaning provided in Section 5.2(a) of the Plan of Arrangement.
- (ff) “**Retraction Call Right**” has the meaning provided pursuant to Section 6(1) of the Exchangeable Share Provisions.
- (gg) “**Support Agreement**” means that certain support agreement of even date between Canco and Acquireco in the form of Schedule H to the Arrangement Agreement, as amended in accordance with the terms of the Support Agreement.
- (hh) “**Subsidiaries**” means, in respect of a person, each of the corporate entities, partnerships and other entities over which it exercises direction or control.
- (ii) “**Target**” means Champion Iron Mines Limited, a corporation incorporated under the laws of the Province of Ontario.
- (jj) “**Trust**” means the trust created by this agreement.
- (kk) “**Trust Estate**” means the Acquireco Special Voting Shares, any other securities, the Automatic Exchange Right, the Exchange Right and any money or other property which may be held by the Trustee from time to time pursuant to this agreement.
- (ll) “**Trustee**” means ●, a trust company incorporated under the laws of Canada and, subject to the provisions of Article 9, includes any successor trustee.
- (mm) “**Voting Rights**” means the voting rights attached to the Acquireco Special Voting Shares.

ARTICLE 2 – PURPOSE OF AGREEMENT

2.1 Establishment of Trust

The purpose of this agreement is to create the Trust for the benefit of the Beneficiaries as herein provided. Acquireco, as the settlor of the Trust, hereby appoints the Trustee as trustee of the Trust. The delivery by Acquireco of \$1.00 for the purpose of settling the Trust is hereby acknowledged by the Trustee. The Trustee shall hold the Acquireco Special Voting Shares in order to enable the Trustee to exercise the Voting Rights and shall hold the Automatic Exchange Right and the Exchange Right in order to enable the Trustee to exercise such rights, in each case as trustee for and on behalf of the Beneficiaries as provided in this agreement. It is agreed that the number of Acquireco Special Voting Shares outstanding at any time shall be equal to the number of Exchangeable Shares outstanding at any time.

ARTICLE 3 – ACQUIRECO SPECIAL VOTING SHARES

3.1 Issue and Ownership of the Acquireco Special Voting Shares

Immediately following execution of this agreement, Acquireco shall issue to the Trustee the Acquireco Special Voting Shares (and shall deliver the certificate representing such shares to the Trustee) to be hereafter held of record by the Trustee as trustee for and on behalf of, and for the use and benefit of, the Beneficiaries and in accordance with the provisions of this agreement. Acquireco hereby acknowledges receipt from the Trustee as trustee for and on behalf of the Beneficiaries of \$1.00 and other good and valuable consideration (and the adequacy thereof) for the issuance of the Acquireco Special Voting Shares by Acquireco to the Trustee. During the term of the Trust and subject to the terms and conditions of this agreement, the Trustee shall possess and be vested with full legal ownership of the Acquireco Special Voting Shares and shall be entitled to exercise all of the rights and powers of an owner with respect to the Acquireco Special Voting Shares provided that the Trustee shall:

- (a) hold the Acquireco Special Voting Shares and the legal title thereto as trustee solely for the use and benefit of the Beneficiaries in accordance with the provisions of this agreement; and
- (b) except as specifically authorized by this agreement, have no power or authority to sell, transfer, vote or otherwise deal in or with the Acquireco Special Voting Shares and no Acquireco Special Voting Shares shall be used or disposed of by the Trustee for any purpose other than the purposes for which this Trust is created pursuant to this agreement.

3.2 Legended Share Certificates

Canco shall cause each certificate representing Exchangeable Shares to bear an appropriate legend notifying the Beneficiaries of their right to instruct the Trustee with respect to the exercise of the portion of the Voting Rights in respect of the Exchangeable Shares of the Beneficiaries.

3.3 Safe Keeping of Certificate

The certificate representing the Acquireco Special Voting Shares shall at all times be held in safe keeping by the Trustee or its duly authorized agent.

ARTICLE 4 – EXERCISE OF VOTING RIGHTS

4.1 Voting Rights

The Trustee, as the holder of record of the Acquireco Special Voting Shares, shall be entitled to all of the Voting Rights, including the right to vote in person or by proxy attaching to the Acquireco Special Voting Shares on any matters, questions, proposals or propositions whatsoever that may properly come before the shareholders of Acquireco at an Acquireco Meeting. The Voting Rights shall be and remain vested in and exercised by the Trustee subject to the terms of this agreement. Subject to Section 6.15:

- (a) the Trustee shall exercise the Voting Rights only on the basis of instructions received pursuant to this Article 4 from Beneficiaries on the record date established by Acquireco or by applicable law for such Acquireco Meeting or Acquireco Consent; and
- (b) to the extent that no instructions are received from a Beneficiary with respect to the Voting Rights to which such Beneficiary is entitled, the Trustee shall not exercise or permit the exercise of such Voting Rights.

4.2 Number of Votes

- (a) With respect to all meetings of shareholders of Acquireco at which holders of Acquireco Shares are entitled to vote (each, an “**Acquireco Meeting**”) and with respect to all written consents sought from shareholders of Acquireco, including holders of the Acquireco Shares (each, an “**Acquireco Consent**”), each Beneficiary shall be entitled to instruct the Trustee to cast and exercise for each Exchangeable Share owned of record by a Beneficiary on the record date established by Acquireco or by applicable law for such Acquireco Meeting or Acquireco Consent, as the case may be (collectively, the “**Beneficiary Votes**”), in respect of each matter, question, proposal or proposition to be voted on at such Acquireco Meeting or consented to in connection with such Acquireco Consent, an equal number of Voting Rights determined on the record date established by Acquireco or by applicable law for such Acquireco Meeting or Acquireco Consent.
- (b) The aggregate Voting Rights on a poll at an Acquireco Meeting shall consist of a number of votes equal to one vote per outstanding Exchangeable Share not owned by Acquireco and its affiliates on the record date established by Acquireco or by applicable law for such Acquireco Meeting or Acquireco Consent, and for which the Trustee has received voting instructions from the Beneficiary. Pursuant to the terms of the Acquireco Special Voting Shares, the Trustee or its proxy is entitled on a vote on a show of hands to one vote, in addition to any votes which may be cast by a Beneficiary (or its nominee) on a show of hands, as proxy for the Trustee. Any Beneficiary who chooses to attend an Acquireco Meeting in person, and who is entitled to vote in accordance with Section 4.8(b), shall be entitled to one vote on a show of hands.

4.3 Mailings to Shareholders

- (a) With respect to each Acquireco Meeting, the Trustee shall use its reasonable efforts promptly to mail or cause to be mailed (or otherwise communicate in the same manner as Acquireco utilizes in communications to holders of Acquireco Shares subject to applicable regulatory requirements and provided that such manner of communications is reasonably available to the Trustee) to each of the Beneficiaries named in the List, such mailing or communication to commence wherever practicable on the same day as the mailing or notice (or other communication) with respect thereto is commenced by Acquireco to its shareholders:

- (i) a copy of such notice, together with any related materials, including any circular or information statement or listing particulars, to be provided to shareholders of Acquireco;
 - (ii) a statement that such Beneficiary is entitled to instruct the Trustee as to the exercise of the Beneficiary Votes with respect to such Acquireco Meeting or, pursuant to Section 4.7, to attend such Acquireco Meeting and to exercise personally the Beneficiary Votes thereat;
 - (iii) a statement as to the manner in which such instructions may be given to the Trustee, including an express indication that instructions may be given to the Trustee to give:
 - (A) a proxy to such Beneficiary or his, her or its designee to exercise personally the Beneficiary Votes; or
 - (B) a proxy to a designated agent or other representative of Acquireco to exercise such Beneficiary Votes;
 - (iv) a statement that if no such instructions are received from the Beneficiary, the Beneficiary Votes to which such Beneficiary is entitled will not be exercised;
 - (v) a form of direction whereby the Beneficiary may so direct and instruct the Trustee as contemplated herein; and
 - (vi) a statement of the time and date by which such instructions must be received by the Trustee in order to be binding upon it, which in the case of an Acquireco Meeting shall not be later than the close of business on the fourth business day prior to such meeting, and of the method for revoking or amending such instructions.
- (b) The materials referred to in this Section 4.3 shall be provided to the Trustee by Acquireco, and the materials referred to in Section 4.3(a)(iii), Section 4.3(a)(v) and Section 4.3(a)(vi) shall (if reasonably practicable to do so) be subject to reasonable comment by the Trustee in a timely manner. Subject to the foregoing, Acquireco shall ensure that the materials to be provided to the Trustee are provided in sufficient time to permit the Trustee to comment as aforesaid and to send all materials to each Beneficiary at the same time as such materials are first sent to holders of Acquireco Shares. Acquireco agrees not to communicate with holders of Acquireco Shares with respect to the materials referred to in this Section 4.3 otherwise than by mail unless such method of communication is also reasonably available to the Trustee for communication with the Beneficiaries. Notwithstanding the foregoing, Acquireco may at its option exercise the duties of the Trustee to deliver copies of all materials to all Beneficiaries as required by this Section 4.3 so long as in each case Acquireco delivers a certificate to the Trustee stating that Acquireco has undertaken to perform the obligations set forth in this Section 4.3.
- (c) For the purpose of determining Beneficiary Votes to which a Beneficiary is entitled in respect of any Acquireco Meeting, the number of Exchangeable Shares owned of record by the Beneficiary shall be determined at the close of business on the record date established by Acquireco or by applicable law for purposes of determining shareholders entitled to vote at such Acquireco Meeting. Acquireco shall notify the Trustee of any decision of the board of directors of Acquireco with respect to the calling of any Acquireco Meeting and shall provide all necessary information and materials to the Trustee in each

case promptly and in any event in sufficient time to enable the Trustee to perform its obligations contemplated by this Section 4.3.

4.4 Copies of Shareholder Information

Acquireco shall deliver to the Trustee copies of all proxy materials (including notices of Acquireco Meetings but excluding proxies to vote Acquireco Shares), information statements, reports (including all interim and annual financial statements) and other written communications that, in each case, are to be distributed by Acquireco from time to time to holders of Acquireco Shares in sufficient quantities and in sufficient time so as to enable the Trustee to send or cause to send those materials to each Beneficiary at the same time as such materials are first sent to holders of Acquireco Shares. The Trustee shall mail or otherwise send to each Beneficiary, at the expense of Acquireco, copies of all such materials (and all materials specifically directed to the Beneficiaries or to the Trustee for the benefit of the Beneficiaries by Acquireco) received by the Trustee from Acquireco contemporaneously with the sending of such materials to holders of Acquireco Shares. The Trustee shall also make available for inspection by any Beneficiary at the Trustee's principal office in Toronto, Ontario all proxy materials, information statements, reports and other written communications that are:

- (a) received by the Trustee as the registered holder of the Acquireco Special Voting Shares and made available by Acquireco generally to the holders of Acquireco Shares; or
- (b) specifically directed to the Beneficiaries or to the Trustee for the benefit of the Beneficiaries by Acquireco.

Notwithstanding the foregoing, Acquireco at its option may exercise the duties of the Trustee to deliver copies of all such materials to each Beneficiary as required by this Section 4.4 so long as in each case Acquireco delivers a certificate to the Trustee stating that Acquireco has undertaken to perform the obligations set forth in this Section 4.4.

4.5 Other Materials

As soon as reasonably practicable after receipt by Acquireco or shareholders of Acquireco (if such receipt is known by Acquireco) of any material sent or given by or on behalf of a third party to holders of Acquireco Shares generally, including dissident proxy and information circulars (and related information and material) and take-over bid and securities exchange take-over bid circulars (and related information and material), provided such material has not been sent to the Beneficiaries by or on behalf of such third party, Acquireco shall use its reasonable efforts to obtain and deliver to the Trustee copies thereof in sufficient quantities so as to enable the Trustee to forward such material (unless the same has been provided directly to Beneficiaries by such third party) to each Beneficiary as soon as possible thereafter. As soon as reasonably practicable after receipt thereof, the Trustee shall mail or otherwise send to each Beneficiary, at the expense of Acquireco, copies of all such materials received by the Trustee from Acquireco. The Trustee shall also make available for inspection by any Beneficiary at the Trustee's principal office in Toronto copies of all such materials. Notwithstanding the foregoing, Acquireco at its option may exercise the duties of the Trustee to deliver copies of all such materials to each Beneficiary as required by this Section 4.5 so long as in each case Acquireco delivers a certificate to the Trustee stating that Acquireco has undertaken to perform the obligations set forth in this Section 4.5.

4.6 List of Persons Entitled to Vote

Canco shall, (a) prior to each annual, general and extraordinary Acquireco Meeting and (b) forthwith upon each request made at any time by the Trustee in writing, prepare or cause to be prepared a list (a "**List**") of the names and addresses of the Beneficiaries arranged in alphabetical order and showing the number of Exchangeable Shares held of record by each such Beneficiary, in each case at the close of business on the date specified by the Trustee in such request or, in the case of a List prepared in connection with an Acquireco Meeting or Acquireco Consent, at the close of business on the record date established by

Acquireco or pursuant to applicable law for determining the holders of Acquireco Shares entitled to receive notice of and/or to vote at such Acquireco Meeting or provide an Acquireco Consent. Each such List shall be delivered to the Trustee promptly after receipt by Canco of such request or the record date for such meeting or consent and in any event within sufficient time as to permit the Trustee to perform its obligations under this agreement. Acquireco agrees to give Canco notice (with a copy to the Trustee) of the calling of any Acquireco Meeting or solicitation of any Acquireco Consent, together with the record date therefor, sufficiently prior to the date of the calling of such meeting or solicitation of any Acquireco Consent so as to enable Canco to perform its obligations under this Section 4.6.

4.7 Entitlement to Direct Votes

Subject to Section 4.8 and Section 4.11, any Beneficiary named in a List prepared in connection with any Acquireco Meeting shall be entitled (a) to instruct the Trustee in the manner described in Section 4.3 with respect to the exercise of the Beneficiary Votes to which such Beneficiary is entitled or (b) to attend such meeting and personally exercise thereat, as the proxy of the Trustee, the Beneficiary Votes to which such Beneficiary is entitled.

4.8 Voting by Trustee and attendance of Trustee Representative at Meeting

- (a) In connection with each Acquireco Meeting, the Trustee shall exercise, either in person or by proxy, in accordance with the instructions received from a Beneficiary pursuant to Section 4.3, the Beneficiary Votes as to which such Beneficiary is entitled to direct the vote (or any lesser number thereof as may be set forth in the instructions) other than any Beneficiary Votes that are the subject of Section 4.8(b); provided, however, that such written instructions are received by the Trustee from the Beneficiary prior to the time and date fixed by the Trustee for receipt of such instruction in the notice given by the Trustee to the Beneficiary pursuant to Section 4.3.
- (b) The Trustee shall cause a representative who is empowered by it to sign and deliver, on behalf of the Trustee, proxies for Voting Rights to attend each Acquireco Meeting. Upon submission by a Beneficiary (or its designee) named in the List prepared in connection with the relevant meeting of identification satisfactory to the Trustee's representative, and at the Beneficiary's request, such representative shall sign and deliver to such Beneficiary (or its designee) a proxy to exercise personally the Beneficiary Votes as to which such Beneficiary is otherwise entitled hereunder to direct the vote, if such Beneficiary either (i) has not previously given the Trustee instructions pursuant to Section 4.3 in respect of such meeting or (ii) submits to such representative written revocation of any such previous instructions. At such meeting, the Beneficiary (or its designee) exercising such Beneficiary Votes in accordance with such proxy shall have the same rights in respect of such Beneficiary Votes as the Trustee to speak at the meeting in respect of any matter, question, proposal or proposition, to vote by way of ballot at the meeting in respect of any matter, question, proposal or proposition, and to vote at such meeting by way of a show of hands in respect of any matter, question or proposition.

4.9 Distribution of Written Materials

Any written materials distributed by the Trustee pursuant to this agreement shall be sent by mail (or otherwise communicated in the same manner as Acquireco utilizes in communications to holders of Acquireco Shares subject to applicable regulatory requirements and provided such manner of communications is reasonably available to the Trustee) to each Beneficiary at its address as shown on the books of Canco. Acquireco agrees not to communicate with holders of Acquireco Shares with respect to such written materials otherwise than by mail unless such method of communication is also reasonably available to the Trustee for communication with the Beneficiaries. Canco shall provide or cause to be provided to the Trustee for purposes of communication, on a timely basis and without charge or other expense:

- (a) a current List; and
- (b) upon the request of the Trustee, mailing labels to enable the Trustee to carry out its duties under this agreement.

Canco's obligations under this Section 4.9 shall be deemed satisfied to the extent Acquireco exercises its option to perform the duties of the Trustee to deliver copies of materials to each Beneficiary and Canco provides the required information and materials to Acquireco.

4.10 Termination of Voting Rights

All of the rights of a Beneficiary with respect to the Beneficiary Votes exercisable in respect of the Exchangeable Shares held by such Beneficiary, including the right to instruct the Trustee as to the voting of or to vote personally such Beneficiary Votes, shall be deemed to be surrendered by the Beneficiary to Acquireco, as the case may be, and such Beneficiary Votes and the Voting Rights (attached to each underlying Acquireco Special Voting Share) represented thereby shall cease immediately upon (i) the delivery by such holder to the Trustee of the certificates representing such Exchangeable Shares in connection with the occurrence of the automatic exchange of Exchangeable Shares for Acquireco Shares, as specified in Article 5 (unless Acquireco shall not have delivered the requisite Acquireco Shares issuable in exchange therefor to the Trustee pending delivery to the Beneficiaries), or (ii) the retraction or redemption of Exchangeable Shares pursuant to Section 6 or 7 of the Share Provisions, or (iii) the effective date of the liquidation, dissolution or winding-up of Canco pursuant to Section 5 of the Share Provisions, or (iv) the purchase of Exchangeable Shares from the holder thereof by Acquireco or an Acquireco Affiliate, as applicable, pursuant to the exercise by Acquireco or an Acquireco Affiliate, as applicable, of the Retraction Call Right, the Redemption Call Right or the Liquidation Call Right, or upon the purchase of Exchangeable Shares from the holders thereof by Acquireco or an Acquireco Affiliate, as applicable, pursuant to the exercise by Acquireco or an Acquireco Affiliate, as applicable, of the Change of Law Call Right (as defined in the Plan of Arrangement).

4.11 Disclosure of Interest in Exchangeable Shares

The Trustee and/or Canco shall be entitled to require any Beneficiary or any person who the Trustee and/or Canco know or have reasonable cause to believe to hold any interest whatsoever in an Exchangeable Share to confirm that fact or to give such details as to who has an interest in such Exchangeable Share as would be required (if the Exchangeable Shares were a class of "voting or equity securities" of Canco) under section 102.1 of the *Securities Act* (Ontario), as amended from time to time, or as would be required under the constitution of Acquireco or any laws or regulations (including the *Corporations Act 2001* (Cth), or pursuant to the rules or regulations of any Agency, including the Listing Rules of the ASX, if the Exchangeable Shares were Acquireco Shares. If a Beneficiary does not provide the information required to be provided by such Beneficiary pursuant to this Section 4.11, the board of directors of Acquireco may take any action permitted under the constitution of Acquireco or any laws or regulations, or pursuant to the rules or regulations of any Agency, with respect to the Voting Rights relating to the Exchangeable Shares held by such Beneficiary.

ARTICLE 5 – EXCHANGE AND AUTOMATIC EXCHANGE

5.1 Grant of Exchange Right and Automatic Exchange Right

- (a) Acquireco hereby grants to Trustee as trustee for and on behalf of, and for the use and benefit of the Beneficiaries, the Automatic Exchange Right and the right (the "**Exchange Right**"), upon the occurrence and during the continuance of an Insolvency Event, to require Acquireco to purchase from each or any Beneficiary all or any part of the Exchangeable Shares held by such Beneficiary, all in accordance with the provisions of this agreement. Acquireco hereby acknowledges receipt from the Trustee as trustee for and on behalf of the Beneficiaries of good and valuable consideration (and the adequacy

thereof) for the grant of the Exchange Right and the Automatic Exchange Right by Acquireco to the Trustee.

- (b) During the term of the Trust and subject to the terms and conditions of this agreement, the Trustee shall possess and be vested with full legal ownership of the Automatic Exchange Right and the Exchange Right and shall be entitled to exercise all of the rights and powers of an owner with respect to the Automatic Exchange Right and the Exchange Right, provided that the Trustee shall:
 - (i) hold the Automatic Exchange Right and the Exchange Right and the legal title thereto as trustee solely for the use and benefit of the Beneficiaries in accordance with the provisions of this agreement; and
 - (ii) except as specifically authorized by this agreement, have no power or authority to exercise or otherwise deal in or with the Automatic Exchange Right or the Exchange Right, and the Trustee shall not exercise any such rights for any purpose other than the purposes for which the Trust is created pursuant to this agreement.
- (c) The obligations of Acquireco to issue Acquireco Shares pursuant to the Automatic Exchange Right or the Exchange Right are subject to all applicable laws and regulatory or stock exchange requirements.

5.2 Legended Share Certificates

Canco shall cause each certificate representing Exchangeable Shares to bear an appropriate legend notifying the Beneficiaries of:

- (a) their right to instruct the Trustee with respect to the exercise of the Exchange Right in respect of the Exchangeable Shares held by a Beneficiary; and
- (b) the Automatic Exchange Right.

5.3 General Exercise of Exchange Right

The Exchange Right shall be and remain vested in and exercisable by Trustee. Subject to Section 6.15, the Trustee shall exercise the Exchange Right only on the basis of instructions received pursuant to this Article 5 from Beneficiaries entitled to instruct the Trustee as to the exercise thereof. To the extent that no instructions are received from a Beneficiary with respect to the Exchange Right, the Trustee shall not exercise or permit the exercise of the Exchange Right.

5.4 Purchase Price

The purchase price payable by Acquireco for each Exchangeable Share to be purchased by Acquireco under the Exchange Right shall be an amount per share equal to (i) the Current Market Price of an Acquireco Share on the day before the exchange, which shall be satisfied in full by Acquireco issuing to the Beneficiary one Acquireco Share, plus (ii) cash or a cheque in an amount equal to the Dividend Amount. In connection with each exercise of the Exchange Right, Acquireco shall provide to the Trustee an Officer's Certificate setting forth the calculation of the purchase price for each Exchangeable Share.

5.5 Exercise Instructions

Subject to the terms and conditions set forth herein, a Beneficiary shall be entitled upon the occurrence and during the continuance of an Insolvency Event, to instruct the Trustee to exercise the Exchange Right with respect to all or any part of the Exchangeable Shares registered in the name of such Beneficiary on

the books of Canco. To cause the exercise of the Exchange Right by the Trustee, the Beneficiary shall deliver to the Trustee, in person or by certified or registered mail, at its principal office in Toronto, Ontario or at such other place as the Trustee may from time to time designate by written notice to the Beneficiaries, the certificates representing the Exchangeable Shares which such Beneficiary desires Acquireco to purchase, duly endorsed in blank for transfer, and accompanied by such other documents and instruments as the Trustee, Acquireco and Canco may reasonably require together with (a) a duly completed form of notice of exercise of the Exchange Right, contained on the reverse of or attached to the Exchangeable Share certificates, stating (i) that the Beneficiary thereby instructs the Trustee to exercise the Exchange Right so as to require Acquireco to purchase from the Beneficiary the number of Exchangeable Shares specified therein, (ii) that such Beneficiary has good title to and owns all such Exchangeable Shares to be acquired by Acquireco free and clear of all liens, claims, security interests and encumbrances, (iii) the names in which the certificates representing Acquireco Shares issuable in connection with the exercise of the Exchange Right are to be issued, and (iv) the names and addresses of the persons to whom such new certificates should be delivered, and (b) payment (or evidence satisfactory to the Trustee, Acquireco and Canco of payment) of the taxes (if any) payable as contemplated by Section 5.7 of this agreement. If only a part of the Exchangeable Shares represented by any certificate or certificates delivered to the Trustee are to be purchased by Acquireco under the Exchange Right, a new certificate for the balance of such Exchangeable Shares shall be issued to the holder at the expense of Canco.

5.6 Delivery of Acquireco Shares; Effect of Exercise

Promptly after the receipt by the Trustee of the certificates representing the Exchangeable Shares which the Beneficiary desires Acquireco to purchase under the Exchange Right, together with such documents and instruments of transfer and a duly completed form of notice of exercise of the Exchange Right (and payment of taxes, if any payable as contemplated by Section 5.7 or evidence thereof), duly endorsed for transfer to Acquireco, the Trustee shall notify Acquireco and Canco of its receipt of the same, which notice to Acquireco and Canco shall constitute exercise of the Exchange Right by the Trustee on behalf of the Beneficiary in respect of such Exchangeable Shares, and Acquireco shall promptly thereafter deliver or cause to be delivered to the Trustee, for delivery to the Beneficiary in respect of such Exchangeable Shares (or to such other persons, if any, properly designated by such Beneficiary) the Exchangeable Share Consideration deliverable in connection with the exercise of the Exchange Right; provided, however, that no such delivery shall be made unless and until the Beneficiary requesting the same shall have paid (or provided evidence satisfactory to the Trustee, Canco and Acquireco of the payment of) the taxes (if any) payable as contemplated by Section 5.7 of this agreement. Immediately upon the giving of notice by the Trustee to Acquireco and Canco of the exercise of the Exchange Right, as provided in this Section 5.6, the closing of the transaction of purchase and sale contemplated by the Exchange Right shall be deemed to have occurred, and the Beneficiary of such Exchangeable Shares shall be deemed to have transferred to Acquireco all of such Beneficiary's right, title and interest in and to such Exchangeable Shares and in the related interest in the Trust Estate and shall cease to be a holder of such Exchangeable Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive his proportionate part of the total Exchangeable Share Consideration therefor, unless such Exchangeable Share Consideration is not delivered by Acquireco to the Trustee for delivery to such Beneficiary (or to such other person, if any, properly designated by such Beneficiary) within three business days of the date of the giving of such notice by the Trustee, in which case the rights of the Beneficiary shall remain unaffected until such Exchangeable Share Consideration is delivered by Acquireco and any cheque included therein is paid. Upon delivery of such Exchangeable Share Consideration to the Trustee, the Trustee shall promptly deliver such Exchangeable Share Consideration to such Beneficiary (or to such other person, if any, properly designated by such Beneficiary). Concurrently with such Beneficiary ceasing to be a holder of Exchangeable Shares, the Beneficiary shall be considered and deemed for all purposes to be the holder of the Acquireco Shares delivered to it pursuant to the Exchange Right.

5.7 Stamp or Other Transfer Taxes

Upon any sale of Exchangeable Shares to Acquireco pursuant to the Exchange Right or the Automatic Exchange Right, the share certificate or certificates representing Acquireco Shares to be delivered in connection with the payment of the purchase price therefor shall be issued in the name of the Beneficiary in respect of the Exchangeable Shares so sold or in such names as such Beneficiary may otherwise direct in writing without charge to the holder of the Exchangeable Shares so sold; provided, however, that such Beneficiary (a) shall pay (and none of Acquireco, Canco or the Trustee shall be required to pay) any documentary, stamp, transfer or other similar taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Beneficiary or (b) shall have evidenced to the satisfaction of Acquireco that such taxes, if any, have been paid.

5.8 Notice of Insolvency Event

As soon as practicable following the occurrence of an Insolvency Event or any event that with the giving of notice or the passage of time or both would be an Insolvency Event, Canco and Acquireco shall give written notice thereof to the Trustee. As soon as practicable following the receipt of notice from Canco and Acquireco of the occurrence of an Insolvency Event, or upon the Trustee becoming aware of an Insolvency Event, the Trustee shall mail to each Beneficiary, at the expense of Acquireco (such funds to be received in advance), a notice of such Insolvency Event in the form provided by Acquireco, which notice shall contain a brief statement of the rights of the Beneficiaries with respect to the Exchange Right.

5.9 Failure to Retract

Upon the occurrence of an event referred to in paragraph (iv) of the definition of Insolvency Event, Canco hereby agrees with the Trustee and in favour of the Beneficiary promptly to forward or cause to be forwarded to the Trustee all relevant materials delivered by the Beneficiary to Canco or to the transfer agent of the Exchangeable Shares (including a copy of the retraction request delivered pursuant to Section 6(1) of the Share Provisions) in connection with such proposed redemption of the Retracted Shares.

5.10 Listing of Acquireco Shares

Acquireco covenants that if any Acquireco Shares to be issued and delivered pursuant to the Automatic Exchange Right or the Exchange Right require registration or qualification with or approval of or the filing of any document, including any prospectus or similar document, or the taking of any proceeding with or the obtaining of any order, ruling or consent from any Agency under any Australian or Canadian federal, provincial or territorial law or regulation or pursuant to the rules and regulations of any Agency or the fulfillment of any other Australian or Canadian legal requirement before such shares may be issued and delivered by Acquireco to the initial holder thereof or in order that such shares may be freely traded (other than any restrictions of general application on transfer by reason of a holder being a "control person" or the equivalent of Acquireco for purposes of Canadian securities Law or any Australian equivalent), Acquireco shall use its commercially reasonable efforts (which, for greater certainty, shall not require Acquireco to consent to a term or condition of an approval or consent which Acquireco reasonably determines could have a materially adverse effect on Acquireco or its subsidiaries) to cause such Acquireco Shares (or such other shares or securities) to be and remain duly registered, qualified or approved. Acquireco shall use its commercially reasonable efforts (which, for greater certainty, shall not require Acquireco to consent to a term or condition of an approval or consent which Acquireco reasonably determines could have a materially adverse effect on Acquireco or its subsidiaries) to cause all Acquireco Shares (or such other shares or securities) to be delivered pursuant to the Automatic Exchange Right or the Exchange Right to be listed, quoted or posted for trading on all stock exchanges and quotation systems on which outstanding Acquireco Shares have been listed by Acquireco and remain listed and are quoted or posted for trading at such time.

5.11 Acquireco Shares

Acquireco hereby represents, warrants and covenants that the Acquireco Shares issuable as described herein will be duly authorized and validly issued as fully paid and shall be free and clear of any lien, claim or encumbrance.

5.12 Automatic Exchange on Liquidation of Acquireco

- (a) Acquireco shall give the Trustee written notice of each of the following events at the time set forth below:
 - (i) in the event of any determination by the board of directors of Acquireco to institute voluntary liquidation, dissolution or winding-up proceedings with respect to Acquireco or to effect any other distribution of assets of Acquireco among its shareholders for the purpose of winding up its affairs, at least 60 days prior to the proposed effective date of such liquidation, dissolution, winding-up or other distribution; and
 - (ii) as soon as practicable following the earlier of (A) receipt by Acquireco of notice of, and (B) Acquireco otherwise becoming aware of any instituted claim, suit, petition or other proceedings with respect to the involuntary liquidation, dissolution or winding-up of Acquireco or to effect any other distribution of assets of Acquireco among its shareholders for the purpose of winding up its affairs, in each case where Acquireco has failed to contest in good faith any such proceeding commenced in respect of Acquireco within 30 days of becoming aware thereof.
- (b) As soon as practicable following receipt by the Trustee from Acquireco of notice of any event (a "**Liquidation Event**") contemplated by Section 5.12(a)(i) or Section 5.12(a)(ii), the Trustee shall give notice thereof to the Beneficiaries. Such notice shall be provided to the Trustee by Acquireco and shall include a brief description of the automatic exchange of Exchangeable Shares for Acquireco Shares provided for in Section 5.12(c).
- (c) In order that the Beneficiaries will be able to participate on a pro rata basis with the holders of Acquireco Shares in the distribution of assets of Acquireco in connection with a Liquidation Event, immediately prior to the effective date (the "**Liquidation Event Effective Date**") of a Liquidation Event, all of the then outstanding Exchangeable Shares held by the Beneficiaries shall be automatically exchanged for Acquireco Shares. To effect such automatic exchange, Acquireco shall purchase each Exchangeable Share outstanding immediately prior to the Liquidation Event Effective Date and held by Beneficiaries, and each Beneficiary shall sell the Exchangeable Shares held by it at such time, free and clear of any lien, claim or encumbrance, for a purchase price per share equal to (i) the Current Market Price of an Acquireco Share on the day prior to the Liquidation Event Effective Date, which shall be satisfied in full by Acquireco issuing to the Beneficiary one Acquireco Share, plus (ii) payment by cash or a cheque in an amount equal to the Dividend Amount. Acquireco shall provide the Trustee with an Officer's Certificate in connection with each automatic exchange setting forth the calculation of the purchase price for each Exchangeable Share. Upon payment by Acquireco of such purchase price, the relevant Beneficiary shall cease to have any right to be paid by Canco any amount in respect of declared and unpaid dividends on each Exchangeable Share.
- (d) The closing of the transaction of purchase and sale contemplated by the automatic exchange of Exchangeable Shares held by the Beneficiaries for Acquireco Shares shall be deemed to have occurred immediately prior to the Liquidation Event Effective Date, and each Beneficiary shall be deemed to have transferred to Acquireco all of the

Beneficiary's right, title and interest in and to such Beneficiary's Exchangeable Shares free and clear of any lien, claim or encumbrance and the related interest in the Trust Estate and each such Beneficiary shall cease to be a holder of such Exchangeable Shares and Acquireco shall issue to the Beneficiary the Acquireco Shares issuable upon the automatic exchange of Exchangeable Shares for Acquireco Shares and on the applicable payment date shall deliver to the Trustee for delivery to the Beneficiary a cheque for the balance, if any, of the purchase price for such Exchangeable Shares, without interest, in each case less any amounts withheld pursuant to Section 5.13. Concurrently with such Beneficiary ceasing to be a holder of Exchangeable Shares, the Beneficiary shall become the holder of the Acquireco Shares issued pursuant to the automatic exchange of such Beneficiary's Exchangeable Shares for Acquireco Shares and the certificates held by the Beneficiary previously representing the Exchangeable Shares exchanged by the Beneficiary with Acquireco pursuant to such automatic exchange shall thereafter be deemed to represent Acquireco Shares issued to the Beneficiary by Acquireco pursuant to such automatic exchange. Upon the request of a Beneficiary and the surrender by the Beneficiary of Exchangeable Share certificates deemed to represent Acquireco Shares, duly endorsed in blank and accompanied by such instruments of transfer as Acquireco may reasonably require, Acquireco shall deliver or cause to be delivered to the Beneficiary certificates representing the Acquireco Shares of which the Beneficiary is the holder.

5.13 Withholding Rights

Acquireco, Canco and the Trustee shall be entitled to deduct and withhold from any dividend, distribution, price or other consideration otherwise payable under this agreement to any holder of Exchangeable Shares or Acquireco Shares such amounts as Acquireco, Canco or the Trustee is required to deduct or withhold with respect to such payment under the *Income Tax Act* (Canada) or Australian tax Laws or any provision of provincial, state, local or foreign tax Law, in each case as amended or succeeded. The Trustee may act and rely on the advice of counsel with respect to such matters. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes as having been paid to the holder of the shares in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing Agency. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, Acquireco, Canco and the Trustee are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to Acquireco, Canco or the Trustee, as the case may be, to enable it to comply with such deduction or withholding requirement and Acquireco, Canco or the Trustee shall notify the holder thereof and remit to such holder any unapplied balance of the net proceeds of such sale.

ARTICLE 6 – CONCERNING THE TRUSTEE

6.1 Powers and Duties of the Trustee

- (a) The rights, powers, duties and authorities of the Trustee under this agreement, in its capacity as trustee of the Trust, shall include:
 - (i) receipt and deposit of the Acquireco Special Voting Shares from Acquireco as Trustee for and on behalf of the Beneficiaries in accordance with the provisions of this agreement;
 - (ii) granting proxies and distributing materials to Beneficiaries as provided in this agreement;
 - (iii) voting the Beneficiary Votes in accordance with the provisions of this agreement;

- (iv) receiving the grant of the Automatic Exchange Right and the Exchange Right from Acquireco as trustee for and on behalf of the Beneficiaries in accordance with the provisions of this agreement;
 - (v) enforcing the benefit of the Automatic Exchange Right and the Exchange Right, in each case in accordance with the provisions of this agreement, and in connection therewith receiving from Beneficiaries Exchangeable Shares and other requisite documents and distributing to such Beneficiaries Acquireco Shares and cheques, if any, to which such Beneficiaries are entitled pursuant to the Automatic Exchange Right or the Exchange Right, as the case may be;
 - (vi) holding title to the Trust Estate;
 - (vii) investing any moneys forming, from time to time, a part of the Trust Estate as provided in this agreement;
 - (viii) taking action at the direction of a Beneficiary or Beneficiaries to enforce the obligations of Acquireco and Canco under this agreement; and
 - (ix) taking such other actions and doing such other things as are specifically provided in this agreement to be carried out by the Trustee whether alone, jointly or in the alternative.
- (b) In the exercise of such rights, powers, duties and authorities the Trustee shall have (and is granted) such incidental and additional rights, powers, duties and authority not in conflict with any of the provisions of this agreement as the Trustee, acting in good faith and in the reasonable exercise of its discretion, may deem necessary, appropriate or desirable to effect the purpose of the Trust. Any exercise of such discretionary rights, powers, duties and authorities by the Trustee shall be final, conclusive and binding upon all persons.
 - (c) The Trustee in exercising its rights, powers, duties and authorities hereunder shall act honestly and in good faith and with a view to the best interests of the Beneficiaries and shall exercise the care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.
 - (d) The Trustee shall not be bound to give notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall be specifically required to do so under the terms hereof; nor shall the Trustee be required to take any notice of, or to do, or to take any act, action or proceeding as a result of any default or breach of any provision hereunder, unless and until notified in writing of such default or breach, which notices shall distinctly specify the default or breach desired to be brought to the attention of the Trustee, and in the absence of such notice the Trustee may for all purposes of this agreement conclusively assume that no default or breach has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein.

6.2 No Conflict of Interest

The Trustee represents to Acquireco and Canco that at the date of execution and delivery of this agreement there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder and the role of the Trustee in any other capacity. The Trustee shall, within 90 days after it becomes aware that such material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Article 9. If, notwithstanding the foregoing provisions of this Section 6.2, the Trustee has such a material conflict of interest, the validity and enforceability of this

agreement shall not be affected in any manner whatsoever by reason only of the existence of such material conflict of interest. If the Trustee contravenes the foregoing provisions of this Section 6.2, any interested party may apply to the Superior Court of Justice (Ontario) for an order that the Trustee be replaced as trustee hereunder.

6.3 Dealings with Transfer Agent, Registrars, etc.

- (a) Each of Acquireco and Canco irrevocably authorizes the Trustee, from time to time, to:
 - (i) consult, communicate and otherwise deal with the respective registrars and transfer agents, and with any such subsequent registrar or transfer agent, of the Exchangeable Shares and Acquireco Shares; and
 - (ii) requisition, from time to time, (i) from any such registrar or transfer agent any information readily available from the records maintained by it which the Trustee may reasonably require for the discharge of its duties and responsibilities under this agreement and (ii) from the transfer agent of Acquireco Shares, and any subsequent transfer agent of such shares, the share certificates issuable upon the exercise from time to time of the Automatic Exchange Right and pursuant to the Exchange Right.
- (b) Acquireco and Canco shall irrevocably authorize their respective registrars and transfer agents to comply with all such requests. Acquireco covenants that it shall supply its transfer agent with duly executed share certificates for the purpose of completing the exercise from time to time of the Automatic Exchange Right and the Exchange Right, in each case pursuant to Article 5.

6.4 Books and Records

The Trustee shall keep available for inspection by Acquireco and Canco at the Trustee's principal office in Toronto correct and complete books and records of account relating to the Trust created by this agreement, including all relevant data relating to mailings and instructions to and from Beneficiaries and all transactions pursuant to the Automatic Exchange Right and the Exchange Right. On or before the tenth day following the closing date of the arrangement effected pursuant to the Plan of Arrangement, and on or before January 15 in every year thereafter, so long as the Acquireco Special Voting Shares are registered in the name of the Trustee, the Trustee shall transmit to Acquireco and Canco a brief report, dated as of the preceding December 31, with respect to:

- (a) the property and funds comprising the Trust Estate as of that date;
- (b) the number of exercises of the Automatic Exchange Right, if any, and the aggregate number of Exchangeable Shares received by the Trustee on behalf of Beneficiaries in consideration of the issuance by Acquireco of Acquireco Shares in connection with the Automatic Exchange Right, during the calendar year ended on such December 31; and
- (c) any action taken by the Trustee in the performance of its duties under this agreement which it had not previously reported.

6.5 Income Tax Returns and Reports

The Trustee shall, to the extent necessary, prepare and file, or cause to be prepared and filed, on behalf of the Trust appropriate Canadian income tax returns and any other returns or reports as may be required by applicable law or pursuant to the rules and regulations of any other Agency, including any securities exchange or other trading system through which the Exchangeable Shares are traded. In connection therewith, the Trustee may obtain the advice and assistance of such experts or advisors as the Trustee

considers necessary or advisable (who may be experts or advisors to Acquireco or Canco). If requested by the Trustee, Acquireco or Canco shall retain qualified experts or advisors for the purpose of providing such tax advice or assistance.

6.6 Indemnification Prior to Certain Actions by Trustee

- (a) The Trustee shall exercise any or all of the rights, duties, powers or authorities vested in it by this agreement at the request, order or direction of any Beneficiary upon such Beneficiary furnishing to the Trustee reasonable funding, security or indemnity against the costs, expenses and liabilities which may be incurred by the Trustee therein or thereby, provided that no Beneficiary shall be obligated to furnish to the Trustee any such funding, security or indemnity in connection with the exercise by the Trustee of any of its rights, duties, powers and authorities with respect to the Acquireco Special Voting Shares pursuant to Article 4, subject to Section 6.15, and with respect to the Automatic Exchange Right and the Exchange Right pursuant to Article 5.
- (b) None of the provisions contained in this agreement shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the exercise of any of its rights, powers, duties, or authorities unless funded, given security and indemnified as aforesaid.

6.7 Action of Beneficiaries

No Beneficiary shall have the right to institute any action, suit or proceeding or to exercise any other remedy authorized by this agreement for the purpose of enforcing any of its rights or for the execution of any trust or power hereunder unless the Beneficiary has requested the Trustee to take or institute such action, suit or proceeding and furnished the Trustee with any applicable funding, security or indemnity referred to in Section 6.6 and the Trustee shall have failed to act within a reasonable time thereafter. In such case, but not otherwise, the Beneficiary shall be entitled to take proceedings in any court of competent jurisdiction such as the Trustee might have taken; it being understood and intended that no one or more Beneficiaries shall have any right in any manner whatsoever to affect, disturb or prejudice the rights hereby created by any such action or to prejudice the rights of any other Beneficiaries hereunder.

6.8 Reliance Upon Declarations

The Trustee shall not be considered to be in contravention of any of its rights, powers, duties and authorities hereunder if, when required, it acts and relies in good faith upon statutory declarations, certificates, opinions or reports furnished pursuant to the provisions hereof or required by the Trustee to be furnished to it in the exercise of its rights, powers, duties and authorities hereunder if such statutory declarations, certificates, opinions or reports comply with the provisions of Section 6.9, if applicable, and with any other applicable provisions of this agreement.

6.9 Evidence and Authority to Trustee

- (a) Acquireco and/or Canco shall furnish to the Trustee evidence of compliance with the conditions provided for in this agreement relating to any action or step required or permitted to be taken by Acquireco and/or Canco or the Trustee under this agreement or as a result of any obligation imposed under this agreement, including in respect of the Voting Rights or the Automatic Exchange Right or the Exchange Right and the taking of any other action to be taken by the Trustee at the request of or on the application of Acquireco and/or Canco promptly if and when:
 - (i) such evidence is required by any other section of this agreement to be furnished to the Trustee in accordance with the terms of this Section 6.9; or

- (ii) the Trustee, in the exercise of its rights, powers, duties and authorities under this agreement, gives Acquireco and/or Canco written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.
- (b) Such evidence shall consist of an Officer's Certificate of Acquireco and/or Canco or a statutory declaration or a certificate made by persons entitled to sign an Officer's Certificate stating that any such condition has been complied with in accordance with the terms of this agreement.
- (c) Whenever such evidence relates to a matter other than the Voting Rights or the Automatic Exchange Right or the Exchange Right or the taking of any other action to be taken by the Trustee at the request or on the application of Acquireco and/or Canco, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, attorney, auditor, accountant, appraiser, valuer or other expert or any other person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a director, officer or employee of Acquireco and/or Canco it shall be in the form of an Officer's Certificate or a statutory declaration.
- (d) Each statutory declaration, Officer's Certificate, opinion or report furnished to the Trustee as evidence of compliance with a condition provided for in this agreement shall include a statement by the person giving the evidence:
 - (i) declaring that he has read and understands the provisions of this agreement relating to the condition in question;
 - (ii) describing the nature and scope of the examination or investigation upon which he based the statutory declaration, certificate, statement or opinion; and
 - (iii) declaring that he has made such examination or investigation as he believes is necessary to enable him to make the statements or give the opinions contained or expressed therein.

6.10 Experts Advisers and Agents

The Trustee may:

- (a) in relation to these presents act and rely on the opinion or advice of or information obtained from any solicitor, attorney, auditor, accountant, appraiser, valuer or other expert, whether retained by the Trustee or by Acquireco and/ or Canco or otherwise, and may retain or employ such assistants as may be necessary to the proper discharge of its powers and duties and determination of its rights hereunder and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid;
- (b) employ such agents and other assistants as it may reasonably require for the proper determination and discharge of its powers and duties hereunder; and
- (c) pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all reasonable disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the Trust.

6.11 Investment of Moneys Held by Trustee

Unless otherwise provided in this agreement, any moneys held by or on behalf of the Trustee which under the terms of this agreement may or ought to be invested or which may be on deposit with the Trustee or which may be in the hands of the Trustee shall, upon the receipt by the Trustee of the written direction of Canco, be invested or reinvested in the name or under the control of the Trustee in securities in which, under the laws of the Province of Ontario, trustees are authorized to invest trust moneys, provided that such securities are stated to mature within two years after their purchase by the Trustee, or in Authorized Investments. Any direction of Canco to the Trustee as to investment or reinvestment of funds shall be in writing and shall be provided to the Trustee no later than 9:00 a.m. (local time) or if received on a non-business day, shall be deemed to have been given prior to 9:00 a.m. (local time) on the immediately following business day. If no such direction is received, the Trustee shall not have any obligation to invest the monies and pending receipt of such a direction all interest or other income and such moneys may be deposited in the name of the Trustee in any chartered bank in Canada or, with the consent of Canco, in the deposit department of the Trustee or any other specified loan or trust company authorized to accept deposits under the laws of Canada or any province thereof at the rate of interest then current on similar deposits. The Trustee shall not be held liable for any losses incurred in the investment of any funds as herein provided.

6.12 Trustee Not Required to Give Security

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts, rights, duties, powers and authorities of this agreement or otherwise in respect of the premises.

6.13 Trustee Not Bound to Act on Request

Except as in this agreement otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of Acquireco and/or Canco or of the directors thereof until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

6.14 Authority to Carry on Business

The Trustee represents to Acquireco and Canco that at the date of execution and delivery by it of this agreement it is authorized to carry on the business of a trust company in each of the provinces of Canada but if, notwithstanding the provisions of this Section 6.14, it ceases to be so authorized to carry on business, the validity and enforceability of this agreement and the Voting Rights, the Automatic Exchange Right and the Exchange Right shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in any province of Canada, either become so authorized or resign in the manner and with the effect specified in Article 9.

6.15 Conflicting Claims

- (a) If conflicting claims or demands are made or asserted with respect to any interest of any Beneficiary in any Exchangeable Shares, including any disagreement between the heirs, representatives, successors or assigns succeeding to all or any part of the interest of any Beneficiary in any Exchangeable Shares, resulting in conflicting claims or demands being made in connection with such interest, then the Trustee shall be entitled, in its sole discretion, to refuse to recognize or to comply with any such claims or demands. In so refusing, the Trustee may elect not to exercise any Voting Rights, Automatic Exchange Right or Exchange Right subject to such conflicting claims or demands and, in so doing, the Trustee shall not be or become liable to any person on account of such election or its

failure or refusal to comply with any such conflicting claims or demands. The Trustee shall be entitled to continue to refrain from acting and to refuse to act until:

- (i) the rights of all adverse claimants with respect to the Voting Rights, Automatic Exchange Right or Exchange Right subject to such conflicting claims or demands have been adjudicated by a final judgment of a court of competent jurisdiction; or
 - (ii) all differences with respect to the Voting Rights, Automatic Exchange Right or Exchange Right subject to such conflicting claims or demands have been conclusively settled by a valid written agreement binding on all such adverse claimants, and the Trustee shall have been furnished with an executed copy of such agreement certified to be in full force and effect.
- (b) If the Trustee elects to recognize any claim or comply with any demand made by any such adverse claimant, it may in its discretion require such claimant to furnish such surety bond or other security satisfactory to the Trustee as it shall deem appropriate to fully indemnify it as between all conflicting claims or demands.

6.16 Acceptance of Trust

The Trustee hereby accepts the Trust created and provided for, by and in this agreement and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be Beneficiaries, subject to all the terms and conditions herein set forth.

6.17 Third Party Interests

Each party to this agreement hereby represents to the Trustee that any account to be opened by, or interest to be held by the Trustee in connection with this agreement, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Trustee's prescribed form as to the particulars of such third party.

6.18 Privacy

The parties acknowledge that Canadian federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this agreement. Despite any other provision of this agreement, no party shall take or direct any action that would contravene, or cause the others to contravene, applicable Privacy Laws. The parties shall, prior to transferring or causing to be transferred personal information to the Trustee, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. Specifically, the Trustee agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this agreement and not to use it for any purpose except with the consent of or direction from the other parties or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

ARTICLE 7 – COMPENSATION

7.1 Fees and Expenses of the Trustee

Canco agrees to pay the Trustee reasonable compensation for all of the services rendered by it under this agreement and shall reimburse the Trustee for all reasonable expenses (including, but not limited to, taxes other than taxes based on the net income or capital of the Trustee, fees paid to legal counsel and other experts and advisors and travel expenses) and disbursements, including the cost and expense of any suit or litigation of any character and any proceedings before any governmental Agency, reasonably incurred by the Trustee in connection with its duties under this agreement; provided that Canco shall have no obligation to reimburse the Trustee for any expenses or disbursements paid, incurred or suffered by the Trustee in any suit or litigation or any such proceedings in which the Trustee is determined to have acted in bad faith or with fraud, gross negligence or wilful misconduct.

ARTICLE 8 – INDEMNIFICATION AND LIMITATION OF LIABILITY

8.1 Indemnification of the Trustee

- (a) Acquireco and Canco jointly and severally agree to indemnify and hold harmless the Trustee and each of its directors, officers, employees and agents appointed and acting in accordance with this agreement (collectively, the “**Indemnified Parties**”) against all claims, losses, damages, reasonable costs, penalties, fines and reasonable expenses (including reasonable expenses of the Trustee’s legal counsel) which, without fraud, gross negligence, wilful misconduct or bad faith on the part of such Indemnified Party, may be paid, incurred or suffered by the Indemnified Party by reason or as a result of the Trustee’s acceptance or administration of the Trust, its compliance with its duties set forth in this agreement, or any written or oral instruction delivered to the Trustee by Acquireco or Canco pursuant hereto.

- (b) In no case shall Acquireco or Canco be liable under this indemnity for any claim against any of the Indemnified Parties unless Acquireco and Canco shall be notified by the Trustee of the written assertion of a claim or of any action commenced against the Indemnified Parties, promptly after any of the Indemnified Parties shall have received any such written assertion of a claim or shall have been served with a summons or other first legal process giving information as to the nature and basis of the claim. Subject to (ii) below, Acquireco and Canco shall be entitled to participate at their own expense in the defence and, if Acquireco and Canco so elect at any time after receipt of such notice, either of them may assume the defence of any suit brought to enforce any such claim. The Trustee shall have the right to employ separate counsel in any such suit and participate in the defence thereof, but the fees and expenses of such counsel shall be at the expense of the Trustee unless: (i) the employment of such counsel has been authorized by Acquireco or Canco; or (ii) the named parties to any such suit include both the Trustee and Acquireco or Canco and the Trustee shall have been advised by counsel acceptable to Acquireco or Canco that there may be one or more legal defences available to the Trustee that are different from or in addition to those available to Acquireco or Canco and that, in the judgment of such counsel, would present a conflict of interest were a joint representation to be undertaken (in which case Acquireco and Canco shall not have the right to assume the defence of such suit on behalf of the Trustee but shall be liable to pay the reasonable fees and expenses of counsel for the Trustee). This indemnity shall survive the termination of the Trust and the resignation or removal of the Trustee.

8.2 Limitation of Liability

The Trustee shall not be held liable for any loss which may occur by reason of depreciation of the value of any part of the Trust Estate or any loss incurred on any investment of funds pursuant to this agreement, except to the extent that such loss is attributable to the fraud, gross negligence, wilful misconduct or bad faith on the part of the Trustee.

ARTICLE 9 – CHANGE OF TRUSTEE

9.1 Resignation

The Trustee, or any trustee hereafter appointed, may at any time resign by giving written notice of such resignation to Acquireco and Canco specifying the date on which it desires to resign, provided that such notice shall not be given less than thirty (30) days before such desired resignation date unless Acquireco and Canco otherwise agree and provided further that such resignation shall not take effect until the date of the appointment of a successor trustee and the acceptance of such appointment by the successor trustee. Upon receiving such notice of resignation, Acquireco and Canco shall promptly appoint a successor trustee, which shall be a corporation organized and existing under the laws of Canada and authorized to carry on the business of a trust company in all provinces of Canada, by written instrument in duplicate, one copy of which shall be delivered to the resigning trustee and one copy to the successor trustee. Failing the appointment and acceptance of a successor trustee, a successor trustee may be appointed by order of a court of competent jurisdiction upon application of one or more of the parties to this agreement. If the retiring trustee is the party initiating an application for the appointment of a successor trustee by order of a court of competent jurisdiction, Acquireco and Canco shall be jointly and severally liable to reimburse the retiring trustee for its legal costs and expenses in connection with same.

9.2 Removal

The Trustee, or any trustee hereafter appointed, may (provided a successor trustee is appointed) be removed at any time on not less than 30 days' prior notice by written instrument executed by Acquireco and Canco, in duplicate, one copy of which shall be delivered to the trustee so removed and one copy to the successor trustee.

9.3 Successor Trustee

Any successor trustee appointed as provided under this agreement shall execute, acknowledge and deliver to Acquireco and Canco and to its predecessor trustee an instrument accepting such appointment. Thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor under this agreement, with the like effect as if originally named as trustee in this agreement. However, on the written request of Acquireco and Canco or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due to it pursuant to the provisions of this agreement, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon the request of any such successor trustee, Acquireco, Canco and such predecessor trustee shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers.

9.4 Notice of Successor Trustee

Upon acceptance of appointment by a successor trustee as provided herein, Acquireco and Canco shall cause to be mailed notice of the succession of such trustee hereunder to each Beneficiary specified in a List. If Acquireco or Canco shall fail to cause such notice to be mailed within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of Acquireco and Canco.

ARTICLE 10 – ACQUIRECO SUCCESSORS

10.1 Certain Requirements in Respect of Combination, etc.

So long as any Exchangeable Shares not owned by Acquireco or its affiliates are outstanding, Acquireco shall not consummate any transaction (whether by way of reconstruction, reorganization, consolidation, arrangement, amalgamation, merger, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, property and assets would become the property of any other person or, in the case of a merger, of the continuing corporation resulting therefrom, provided that it may do so if:

- (a) such other person or continuing corporation (the “**Acquireco Successor**”), by operation of law, becomes, without more, bound by the terms and provisions of this agreement or, if not so bound, executes, prior to or contemporaneously with the consummation of such transaction, a trust agreement supplemental hereto and such other instruments (if any) as are necessary or advisable to evidence the assumption by the Acquireco Successor of liability for all moneys payable and property deliverable hereunder and the covenant of such Acquireco Successor to pay and deliver or cause to be delivered the same and its agreement to observe and perform all the covenants and obligations of Acquireco under this agreement; and
- (b) such transaction shall be upon such terms and conditions as substantially to preserve and not to impair in any material respect any of the rights, duties, powers and authorities of the Trustee or of the Beneficiaries hereunder.

10.2 Vesting of Powers in Successor

Whenever the conditions of Section 10.1 have been duly observed and performed, the Trustee, Acquireco Successor and Canco shall, if required by Section 10.1, execute and deliver the supplemental trust agreement provided for in Article 11 and thereupon Acquireco Successor and such other person that may then be the issuer of the Acquireco Shares shall possess and from time to time may exercise each and every right and power of Acquireco under this agreement in the name of Acquireco or otherwise and any act or proceeding by any provision of this agreement required to be done or performed by the board of directors of Acquireco or any officers of Acquireco may be done and performed with like force and effect by the directors or officers of such Acquireco Successor.

10.3 Wholly-Owned Subsidiaries

Nothing herein shall be construed as preventing (i) the amalgamation or merger of any wholly-owned direct or indirect Subsidiary of Acquireco with or into Acquireco, (ii) the winding-up, liquidation or dissolution of any wholly-owned direct or indirect Subsidiary of Acquireco (other than Canco), provided that all of the assets of such Subsidiary are transferred to Acquireco or another wholly-owned direct or indirect Subsidiary of Acquireco, or (iii) any other distribution of the assets of any wholly-owned direct or indirect Subsidiary of Acquireco (other than Canco) among the shareholders of such Subsidiary for the purpose of winding up its affairs, and any such transactions are expressly permitted by this Article 10.

10.4 Successor Transactions

Notwithstanding the foregoing provisions of this Article 10, in the event of an Acquireco Control Transaction:

- (a) in which Acquireco merges or amalgamates with, or in which all or substantially all of the then outstanding Acquireco Shares are acquired by, one or more other corporations to which Acquireco is, immediately before such merger, amalgamation or acquisition, “related” within the meaning of the *Income Tax Act* (Canada) (otherwise than by virtue of a right referred to in paragraph 251(5)(b) thereof);

- (b) which does not result in an acceleration of the Redemption Date in accordance with paragraph (b) of that definition; and
- (c) in which all or substantially all of the then outstanding Acquireco Shares are converted into or exchanged for shares or rights to receive such shares (the “**Other Shares**”) of another corporation (the “**Other Corporation**”) that, immediately after such Acquireco Control Transaction, owns or controls, directly or indirectly, Acquireco,

then, (i) all references herein to “Acquireco” shall thereafter be and be deemed to be references to “Other Corporation” and all references herein to “Acquireco Shares” shall thereafter be and be deemed to be references to “Other Shares” (with appropriate adjustments, if any, as are required to result in a holder of Exchangeable Shares on the exchange, redemption or retraction of such shares pursuant to the Share Provisions or Article 5 of the Plan of Arrangement or exchange of such shares pursuant to this agreement immediately subsequent to the Acquireco Control Transaction being entitled to receive that number of Other Shares equal to the number of Other Shares such holder of Exchangeable Shares would have received if the exchange, redemption or retraction of such shares pursuant to the Share Provisions or Article 5 of the Plan of Arrangement, or exchange of such shares pursuant to this agreement had occurred immediately prior to the Acquireco Control Transaction and the Acquireco Control Transaction was completed) without any need to amend the terms and conditions of this agreement and without any further action required; and (ii) Acquireco shall cause the Other Corporation to deposit one or more voting securities of such Other Corporation to allow Beneficiaries to exercise voting rights in respect of the Other Corporation substantially similar to those provided for in this agreement.

ARTICLE 11 – AMENDMENTS AND SUPPLEMENTAL TRUST AGREEMENTS

11.1 Amendments, Modifications, etc.

Subject to Section 11.2, Section 11.4 and Section 13.1, this agreement may not be amended or modified except by an agreement in writing executed by Acquireco, Canco and the Trustee and approved by the Beneficiaries in accordance with Section 11(2) of the Share Provisions.

11.2 Ministerial Amendments

Notwithstanding the provisions of Section 11.1, the parties to this agreement may in writing, at any time and from time to time, without the approval of the Beneficiaries, amend or modify this agreement for the purposes of:

- (a) adding to the covenants of any or all parties hereto for the protection of the Beneficiaries hereunder provided that the board of directors of each of Canco and Acquireco shall be of the good faith opinion and the Trustee, acting on the advice of counsel, shall be of the opinion that such additions will not be prejudicial to the rights or interests of the Beneficiaries;
- (b) making such amendments or modifications not inconsistent with this agreement as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the board of directors of each of Acquireco and Canco and in the opinion of the Trustee, having in mind the best interests of the Beneficiaries, it may be expedient to make, provided that such boards of directors and the Trustee, acting on the advice of counsel, shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Beneficiaries; or
- (c) making such changes or corrections which, on the advice of counsel to Acquireco, Canco and the Trustee, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

11.3 Meeting to Consider Amendments

Canco, at the request of Acquireco, shall call a meeting or meetings of the Beneficiaries for the purpose of considering any proposed amendment or modification requiring approval pursuant hereto. Any such meeting or meetings shall be called and held in accordance with the by-laws of Canco, the Share Provisions and all applicable laws.

11.4 Changes in Capital of Acquireco and Canco

At all times after the occurrence of any event contemplated pursuant to Section 2.7 or 2.8 of the Support Agreement or otherwise, as a result of which either Acquireco Shares or the Exchangeable Shares or both are in any way changed, this agreement shall forthwith be amended and modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to all new securities into which Acquireco Shares or the Exchangeable Shares or both are so changed and the parties hereto shall execute and deliver a supplemental trust agreement giving effect to and evidencing such necessary amendments and modifications.

11.5 Execution of Supplemental Trust Agreements

From time to time Canco (when authorized by a resolution of its Board of Directors), Acquireco (when authorized by a resolution of its board of directors) and the Trustee may, subject to the provisions of these presents, and they shall, when so directed by these presents, execute and deliver by their proper officers, trust agreements or other instruments supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:

- (a) evidencing the succession of Acquireco Successors and the covenants of and obligations assumed by each such Acquireco Successor in accordance with the provisions of Article 9 and the successors of the Trustee or any successor trustee in accordance with the provisions of Article 9;
- (b) making any additions to, deletions from or alterations of the provisions of this agreement or the Voting Rights, the Automatic Exchange Right or the Exchange Right which, in the opinion of the Trustee, will not be prejudicial to the interests of the Beneficiaries or are, in the opinion of counsel to the Trustee, necessary or advisable in order to incorporate, reflect or comply with any legislation the provisions of which apply to Acquireco, Canco, the Trustee or this agreement; and
- (c) for any other purposes not inconsistent with the provisions of this agreement, including to make or evidence any amendment or modification to this agreement as contemplated hereby; provided that, in the opinion of the Trustee, the rights of the Trustee and Beneficiaries will not be prejudiced thereby.

ARTICLE 12 – TERMINATION

12.1 Term

The Trust created by this agreement shall continue until the earliest to occur of the following events:

- (a) no outstanding Exchangeable Shares are held by a Beneficiary; and
- (b) each of Acquireco and Canco elects in writing to terminate the Trust and such termination is approved by the Beneficiaries in accordance with Section 11(2) of the Share Provisions.

12.2 Survival of Agreement

This agreement shall survive any termination of the Trust and shall continue until there are no Exchangeable Shares outstanding held by a Beneficiary; provided, however, that the provisions of Article 7 and Article 8 shall survive any such termination of this agreement.

ARTICLE 13 – GENERAL

13.1 Severability

If any term or other provision of this agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

13.2 Enurement

This agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns and, subject to the terms hereof, to the benefit of the Beneficiaries.

13.3 Notices to Parties

Any notice and other communications required or permitted to be given pursuant to this agreement shall be sufficiently given if delivered in person or if sent by facsimile transmission (provided such transmission is recorded as being transmitted successfully) to the parties at the following addresses:

- (a) in the case of Acquireco or Canco to the following address:

Mamba Minerals Limited

Attn: Mr. Michael O’Keeffe
91 Evans Street
Rozelle NSW 2039

Tel: +61 2 9810 7816
Fax: +61 2 8065 5017

with a copy to (which shall not constitute notice):

Ashurst Australia

Attn: Mr. Gary Lawler
Level 36, Grosvenor Place, 225 George Street
Sydney NSW 2000
GPO Box 9938, Sydney NSW 2001

Tel: +61 2 9258 6000
Fax: +61 2 9258 6999

(b) In the case of the Trustee to:

●

Attention: ●

●

●

Tel: ●

Fax: ●

or at such other address as the party to which such notice or other communication is to be given has last notified the party given the same in the manner provided in this section, and if not given the same shall be deemed to have been received on the date of such delivery or sending.

13.4 Notice to Beneficiaries

Any and all notices to be given and any documents to be sent to any Beneficiaries may be given or sent to the address of such Beneficiary shown on the register of holders of Exchangeable Shares in any manner permitted by the by-laws of Canco from time to time in force in respect of notices to shareholders and shall be deemed to be received (if given or sent in such manner) at the time specified in such by-laws, the provisions of which by-laws shall apply mutatis mutandis to notices or documents as aforesaid sent to such Beneficiaries.

13.5 Counterparts

This agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

13.6 Jurisdiction

This agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

13.7 Attornment

Each of the Trustee, Acquireco and Canco agrees that any action or proceeding arising out of or relating to this agreement may be instituted in the courts of Ontario, waives any objection which it may have now or hereafter to the venue of any such action or proceeding, irrevocably submits to the non-exclusive jurisdiction of the said courts in any such action or proceeding, agrees to be bound by any judgment of the said courts and not to seek, and hereby waives, any review of the merits of any such judgment by the courts of any other jurisdiction, and Acquireco hereby appoints Canco at its registered office in the Province of Ontario as attorney for service of process.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be duly executed as of the date first above written.

MAMBA MINERALS LIMITED

Per:

Name:

Title:

[CANCO]

Per:

Name:

Title:

[TRUSTEE]

Per:

Name:

Title: